



**Feel that  
KNOT of PAIN  
fade away**

**W**HAT a difference you feel, almost the instant you start to rub aching, throbbing spots of pain with good old Absorbine Jr.

It seems to spread a soothing, warming glow right down to the deepest point of the congestion—muscles tight with pain begin to relax. And then, as your hand moves back and forth over that sore spot, you feel a warm comforting glow, quickly followed by soothing coolness as the knot of pain eases away.

For forty years, the most famous coaches, trainers and athletes have used Absorbine Jr. and praised it—for bruises, strains, sprains and aching muscles. You certainly ought to keep a bottle in your home. It saves a lot of suffering—and it's also a fine antiseptic for cuts and burns.

You can get Absorbine Jr. at all druggists, \$1.25 a bottle. It is economical to use—only a few drops are necessary per application. For free sample, write today to

**W. F. Young, Inc.  
Springfield, Massachusetts**

**ABSORBINE JR.**

Relieves sore muscles, muscular aches, bruises, sprains, sleeplessness

OCTOBER, 1934

# **REVIEW OF REVIEWS AND WORLD'S WORK**

**Edited by ALBERT SHAW**

## **The Progress of the World**

Will Government Regulate Us Permanently? 21 . . . After Election, the New Deal May Relax, 21 . . . Considering the Future of NRA, 22 . . . The President Will Now Face a Test, 22 . . . Can He Get Rid of the Bureaucracies? 23 . . . Congress Will Not Be So Acquiescent, 24 . . . Citizens Should Come to the Rescue, 24 . . . Get the Country Out of the Strait-Jacket, 25 . . . Democrats, Please Come Forward! 25 . . . Medals and Papers for the Professors, 26.

## **Special Features**

WHAT WILL F. D. R. DO WITH HIS VICTORY? . . . . .	Albert Shaw 21
LOOK HOMeward, AMERICA! . . . . .	L. Rohe Walter 27
PAYING THE NEW DEAL BILL . . . . .	Raymond Clapper 31
SHORT RATIONS FOR SHIP OWNERS . . . . .	Jo Chamberlin 34
HOW WILL INFLATION COME? . . . . .	Joseph Stagg Lawrence 38
COMMERCE AND THE CAMERA . . . . .	42
POVERTY AND PLENTY . . . . .	45
WHAT IS FASCISM? . . . . .	Roger Shaw 47
THE PULSE OF BUSINESS . . . . .	52
A MIRACLE IN CANS . . . . .	J. Parker Van Zandt 54
ANALYZING THE UTILITIES . . . . .	Howard Florance 58
A CLERGYMAN LOOKS IN ON RUSSIA . . . . .	Lyman P. Powell 62
THE ROADSIDE BECOMES IMPORTANT . . . . .	Elizabeth B. Lawton 66
GENERAL BUSINESS INDICES . . . . .	70

## **Departments**

In the Editor's Mail . . . . .	4
Books! Books! Books! . . . . .	8
Cartoons of the Month . . . . .	49
The March of Events . . . . .	64
Civic Achievements . . . . .	66
Travel: In Search of Sunshine . . . . .	72

●

### **Published by**

**THE REVIEW OF REVIEWS CORPORATION, 233 Fourth Avenue, New York City**

ALBERT SHAW, President; ALBERT SHAW, Jr., Secretary and Treasurer

TERMS:—Monthly, 25 cents a number, \$3.00 a year, two years \$4.50. Entered at New York Post Office as second-class matter April 27, 1934, under Act of March 3, 1879. Additional entry at Dunellen, N. J. Printed in the United States of America. The REVIEW OF REVIEWS AND WORLD'S WORK is on file in public libraries everywhere, and is indexed in the Reader's Guide to Periodical Literature.

\* Title Registered U. S. Patent Office

COPYRIGHT, 1934

Volume XC

Number Four



**Feel that  
KNOT of PAIN  
fade away**

**W**HAT a difference you feel, almost the instant you start to rub aching, throbbing spots of pain with good old Absorbine Jr.

It seems to spread a soothing, warming glow right down to the deepest point of the congestion—muscles tight with pain begin to relax. And then, as your hand moves back and forth over that sore spot, you feel a warm comforting glow, quickly followed by soothing coolness as the knot of pain eases away.

For forty years, the most famous coaches, trainers and athletes have used Absorbine Jr. and praised it—for bruises, strains, sprains and aching muscles. You certainly ought to keep a bottle in your home. It saves a lot of suffering—and it's also a fine antiseptic for cuts and burns.

You can get Absorbine Jr. at all druggists, \$1.25 a bottle. It is economical to use—only a few drops are necessary per application. For free sample, write today to

**W. F. Young, Inc.  
Springfield, Massachusetts**

**ABSORBINE JR.**

Relieves sore muscles, muscular aches, bruises, sprains, sleeplessness

OCTOBER, 1934

# **REVIEW OF REVIEWS AND WORLD'S WORK**

**Edited by ALBERT SHAW**

## **The Progress of the World**

Will Government Regulate Us Permanently? 21 . . . After Election, the New Deal May Relax, 21 . . . Considering the Future of NRA, 22 . . . The President Will Now Face a Test, 22 . . . Can He Get Rid of the Bureaucracies? 23 . . . Congress Will Not Be So Acquiescent, 24 . . . Citizens Should Come to the Rescue, 24 . . . Get the Country Out of the Strait-Jacket, 25 . . . Democrats, Please Come Forward! 25 . . . Medals and Papers for the Professors, 26.

## **Special Features**

WHAT WILL F. D. R. DO WITH HIS VICTORY? . . . . .	Albert Shaw 21
LOOK HOMeward, AMERICA! . . . . .	L. Rohe Walter 27
PAYING THE NEW DEAL BILL . . . . .	Raymond Clapper 31
SHORT RATIONS FOR SHIP OWNERS . . . . .	Jo Chamberlin 34
HOW WILL INFLATION COME? . . . . .	Joseph Stagg Lawrence 38
COMMERCE AND THE CAMERA . . . . .	42
POVERTY AND PLENTY . . . . .	45
WHAT IS FASCISM? . . . . .	Roger Shaw 47
THE PULSE OF BUSINESS . . . . .	52
A MIRACLE IN CANS . . . . .	J. Parker Van Zandt 54
ANALYZING THE UTILITIES . . . . .	Howard Florance 58
A CLERGYMAN LOOKS IN ON RUSSIA . . . . .	Lyman P. Powell 62
THE ROADSIDE BECOMES IMPORTANT . . . . .	Elizabeth B. Lawton 66
GENERAL BUSINESS INDICES . . . . .	70

## **Departments**

In the Editor's Mail . . . . .	4
Books! Books! Books! . . . . .	8
Cartoons of the Month . . . . .	49
The March of Events . . . . .	64
Civic Achievements . . . . .	66
Travel: In Search of Sunshine . . . . .	72

●

### **Published by**

**THE REVIEW OF REVIEWS CORPORATION, 233 Fourth Avenue, New York City**

ALBERT SHAW, President; ALBERT SHAW, Jr., Secretary and Treasurer

TERMS:—Monthly, 25 cents a number, \$3.00 a year, two years \$4.50. Entered at New York Post Office as second-class matter April 27, 1934, under Act of March 3, 1879. Additional entry at Dunellen, N. J. Printed in the United States of America. The REVIEW OF REVIEWS AND WORLD'S WORK is on file in public libraries everywhere, and is indexed in the Reader's Guide to Periodical Literature.

\* Title Registered U. S. Patent Office

COPYRIGHT, 1934

Volume XC

Number Four

# Are You STILL in the DEPRESSION??

**T**IMES are better. Business is out of the rut—well ahead of a year ago. Millions of men have gone back to work. There's more money in lots of pay envelopes. But what good is that to you, if your pay check is still written in depression figures?

You weren't so discontented a year ago. In fact, you considered yourself lucky to have a job. But now—you have begun to wonder and worry why the oncoming tide of prosperity hasn't reached you yet. The situation is getting desperate. Bills continue to pile up. You can't get along forever on a "shoe string" budget. You *must* win back those pay cuts. Other men are doing it—how can you?

Certainly, you can't work any harder than you have been. And it isn't a question of your intelligence, honesty or ambition. Those virtues do not solve today's problem—they are often insufficient to hold down a job, as millions unemployed sadly testify.

But there *is* a way to get back to the prosperity pay check. A way that's probably far easier than you have dreamed. A plan that has been "depression-tested."

During the worst period of the depression, this plan was helping thousands of men and women forge ahead. Today, during recovery, these same men and women—their ranks swelled by thousands more—are being picked for top positions. They are escaping years of monotonous, routine service—achieving their dreams while they are young enough to enjoy success in its fullest measure.

Since this plan brings results in bad

times as well as good, it obviously works independently of business conditions. As unbelievable as that may sound, remember that success is largely up to the individual. Most men struggle through a depression all their lives. The few who forge ahead ride to success the same business tides that sweep the majority to failure.

The LaSalle Success-Building Plan is made for men like you—men with courage, ambition, persistence, who need expert guidance to make the most of their efforts. But LaSalle supplies even *more* than that. Not only individualized training and coaching to help you meet today's crying needs . . . but also the very steps you need to take to fill the job ahead, and force that pay raise *quickly*. The synopsis of this plan—shown at the right—can give you only an idea of this service. We suggest you mail the coupon for complete details on your own line of work.

## Today's Danger

There's real danger to accepting "depression pay" these days. A danger that lower wages will continue to dog you—for no employer will pay more until he is convinced you are worth more. Some day, some way, you've got to convince him. There's no time to lose. The sooner you begin, the better.

If the LaSalle Plan has fulfilled this aim for thousands, isn't it logical to expect it can do as much for you? This coupon can easily become your passport to better times. Mail it today.

## LaSalle Extension University, Dept. 1067-R, Chicago

I would like to know about your Success-Building Plan and service in the business field I have checked.

- Business Management
- Higher Accountancy
- Traffic Management
- Modern Salesmanship
- Commercial Law

- Law: Degree of LL. B.
- Expert Bookkeeping
- C. P. A. Coaching
- Industrial Management
- Modern Foremanship
- Personnel Management

- Business Correspondence
- Business English
- Effective Speaking
- Office Management
- Stenotypy

Name.....

Age.....

Address.....

## LaSalle Extension University

OCTOBER, 1934

When  
a  
Plan  
Like  
This—



Supplementing accurate up-to-the-minute training, made interesting and practical by the "Problem Method," you find a great range of special help and service—individualized tuition exactly fitted to your personal needs. Expert consulting service on your personal business problems in the fields of sales, management, traffic, finance, advertising or what-not. When you so desire, we furnish your employer with Progress Reports which often pave the way to promotion and pay increases. Vocational counsel if you want it. Placement service which aids you in advancing in your present position or helps select and secure a better job. Personality development—supplementary lectures—in certain courses, authoritative business bulletins keeping you up to the minute on trends and changes. And in the background of all these, an intensely personal and earnest interest in your progress that persists long years after your graduation.

## Get RESULTS Like These

June 4, 1934—"I was informed today that I have another salary increase." —O. M. H.

June 5, 1934—"Since my enrollment, my salary has been increased 140%." —J. B. L.

May 17, 1934—"I have had two raises during the depression." —W. E. K.

May 13, 1934—"Several weeks ago I was transferred to another department with 25% increase." —D. A. R.

May 25, 1934—"My income today is exactly 100% greater than when I enrolled." —E. J.

May 7, 1934—"My income is more than double what it was when I enrolled in 1928." —H. W. T.

April 13, 1934—"Since I started my course, I have received two promotions and four advances in salary." —J. J. M.

March 28, 1934—"When I started my training in 1929, my salary was \$30 a week, and in less than 3 years, it was increased to \$350 a month." —J. W. C.

—It's Worth  
Investigating!

## • • In the Editor's Mail • •

### Optimism—or Else

To the Editor:

Please cancel the rest of my subscription.

In this day and time I need optimism, something good in the New Deal.

EVERETT DAVIS  
St. Louis, Missouri

We have constantly endeavored to present the good and bad features of the New Deal impartially. We do not believe that the majority of our readers wish to be fooled by unduly rosy pictures.—ED.

### Marx vs. Macaulay

To the Editor:

The article in your magazine praising Macaulay as a prophet is amusing to a student of history. His letter was written nine years after the Communist Manifesto in which Marx and Engels also predicted crises, the end of democracy, the way of demagogues, etc. They also pointed to the starving honest workman, and the champagne-drinking millionaire, but without his sanctimonious shoulder-shrug. Instead they said, "Workmen of the world, unite! You have nothing to lose but your chains." Their concern was not simply concern over property, like Macaulay. He said "Let liberty go, but save the right of property." They said, "Save the worker!"

His "liberals" are finding it hard to keep the poor down, and have to resort to Caesars and fascists to save the rich, so he is not such a great prophet.

Meanwhile Marx's followers are trying out a system of ending unemployment, starvation and millionaires, and it seems to be working out so well that millionaires in other countries are crying for Mussolini and even Hitlers to save them from Communism.

In our country, we must try to keep liberty and democracy by preventing starvation and unemployment; for as Macaulay said, starving men will listen to a demagogue, whether he looks like Mussolini or Stalin, so long as he promises them bread.

It remains to be seen whether Macaulay and Marx are both right in implying that preventing starvation is impossible while we have the institution of private property. If they are right, then we will have starvation until the starving people revolt, and destroy private ownership as in Russia, or are shot down and kept in subjection as in Germany and Italy.

NATH ELLENBOGEN  
New York City

### King Customer

To the Editor:

I have read with interest the article in your September issue entitled "King Customer at A Century of Progress".

Any manufacturer is intensely interested in what is going on at the World's Fair regardless of whether he exhibits or not, and I think frankly, that this particular article gives as clear a picture of the various ways and means devised

to attract the consumer as anything which I have read to date.

To most of us the World's Fair is simply an exhibition, but after reading the article in question, I am inclined to believe that back of it all is a certain science which is worthy of considerable study.

There probably will not be a Century of Progress for many years, but when another exhibition of this kind rolls around, I cannot help but feel that much information of value to the exhibit will be found in the pages of your current issue.

ROLAND D. DOANE  
New York City

To the Editor:

Allow me to commend you on the most interesting and informative article in the September issue of the REVIEW: "King Customer at A Century of Progress". The authors are to be congratulated, not alone on the clear cut manner of presentation but more especially on the practical analysis of public reactions to the various exhibits at the Fair.

The writer, having had a rather intimate exposure to the activities at the Fair last year in participation with a number of exhibitors, can well appreciate the importance of successful planning for the show this year. The importance of dramatic showmanship is obviously paramount in each and every production shown.

As merchandisers and purveyors of fresh foods in cans we were very much interested in this article, for we confidently believe we have gained some worthwhile slants that will prove practical in current application. In our industry we have been too prone to go on smugly year after year with nary a change in label design or product, quite content to let the parade go by.

Your straightforward editorial message has been routed to our executives with a chorus of "Amens!"

RAY N. PETERSON  
Minnesota Valley Canning Company  
Le Sueur, Minnesota

Such interest was expressed in the article on the customer's reaction to the exhibits at a "Century of Progress" that we are following it up in this issue with two more phases of this topic. One deals with the interest in modern housing, and the other is a detailed story about one particular exhibit.—ED.

### Rich Men Defended

To the Editor:

The most of our wealthy people in the past have felt their public responsibility, and have left their fortunes largely for such benefits to the public as could not and would not have been accomplished in any other way. For instance, the picture which Mr. Mellon just bought will probably go to the public at his death. Notable examples are Carnegie and Rockefeller and hundreds more could be named.

There is no objection in my mind to the accumulation of large fortunes.

Usually jobs are provided for many thousands of men in the process, and in the last analysis the owners of these fortunes are merely managers for the public, whether they know it or feel that way or not.

If the large enterprises are to be conducted without profit and no fortunes are accumulated, I wonder what is to become of the thousands of eleemosynary institutions which are already established, and which are necessary for the care of widows, orphans and unfortunate.

The type of man I am referring to certainly feels a public duty that the racketeers who are trying to get possession of business do not feel. Mobs have never been distinguished for kindness.

These are just some random thoughts that I wanted to pass on to you, as you have a public audience and I have not.

LEATON IRWIN  
Quincy, Ill.

### Going to the Polls

To the Editor:

You will damage the reputation you have in this section of the U. S. A. by carrying in your special features such statements, or questions, as found in "A Summer Full of Politics" in the July issue. Let's quote: "Senator Tom Connally is still a Dry. He voted against the veteran's bonus. He is an able Senator, but will ability and experience count when Texans go to the autumn polls?"

Now, no voter in Texas has the least doubt that Tom Connally will defeat any opponent in the autumn elections by as proportionally great a majority as did one F. D. R. lead H. H. in the Texas polls in 1932. It is not as a defense of Mr. Connally that this is written; rather it is to indicate that when you publish in a most prominent position a statement, or question, which everyone of a certain section knows to be misleading, you shake the confidence of the reader in the truthfulness of other assertions in the magazine.

DEWITT MEDFORD  
Supt. of Schools, Annona, Texas

Mr. Clapper's article discussed the summer activities of state and national political leaders of whom Mr. Connally is one. The article in general expressed the oft-demonstrated fact that other things besides political ability gather votes in any election and in any state. With this theme we believe that few realistic readers can disagree, Texans included.—ED.

To the Editor:

In your September issue, under head of "Interference with Capital, Labor and Farming", you say:

"It might be supposed that this year the Eastern farmers would be permitted to receive fair prices for their cattle and other products. But in its eagerness to relieve distressed communities in the West, the Government undertakes the function of buying and selling, paying low prices for starved cattle, and dumping them on the market in such fashion as to depress normal prices. Eastern

# How to get rid of an



# INFERIORITY COMPLEX

*A true story of a man who found that self-confidence is not a matter of education or luck*

**H**E WAS GOOD in his job. No one denied that. But he felt inferior to his associates. Most of them were college men. He envied them the mysterious thing called "background."

Today he happens to be one of the principals of the business. But more important he has lost his inferiority complex. Instead of envying his once better informed associates he is their equal.

His case is by no means unusual. He is one of the many who have learned the simple secret that good reading opens the gateway of the mind and offers a broader view of life. It is this broader view that inspires self-confidence. In one word it's *culture*.

There are thousands of men today who lack a classical knowledge and who don't know where to turn for it. The cold stone front of a public library suggests groping among thousands of books. "What are the really great books?" they ask.

The question has been wonderfully answered by America's greatest educator, Dr. Eliot, forty years president of Harvard. He made it a vital part of his great life work to assemble in one set the really worthwhile writings. These books place you on an equal footing with the best educated of your associates. These books are what people mean by a "literary background."

The new edition of the Harvard Classics is undoubtedly the greatest book value of our times. Beautifully bound and printed, magnificently illustrated, this set matches the finest sets in private libraries. Yet the cost is amazingly low. In fact, less than you pay for popular fiction.

**THIS FREE BOOK.** You need not decide now. But by all means own this famous free book, "FIFTEEN MINUTES A DAY." It gives Dr. Eliot's own plan of reading. It may mean a new view of life to you, greater self-confidence, and, above all, keener pleasure. It will be sent you FREE. Mail this coupon today.

P. F. COLLIER & SON CORP.  
250 Park Avenue, New York City

By mail, free, send me the booklet that tells all about the new Home Library edition of Dr. Eliot's Five-Foot Shelf of Books (The Harvard Classics) and contains Dr. Eliot's own statement of how he came to select the greatest library of all time.

NAME  Mr.   
Mrs.   
Miss

Address

446-HM



# WANTED!

## YOUR OLD TYPEWRITER

Fill out this coupon—Detach—Mail today!

Royal Typewriter Company, Inc.  
Department RR-10  
2 Park Avenue, New York City  
I own a (Insert Make) .....  
Typewriter, Serial Number..... Please  
send me the details of your special allowance  
on home typewriters traded in this month.

Name \_\_\_\_\_  
Street \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_

**ACT QUICKLY!** Have you a standard or a portable in your home—one that even long ago may have ended its days of usefulness? Or perhaps a newer typewriter that hasn't proved entirely satisfactory? If so, mail in the above coupon at once. This special offer good for limited time only.

## ROYAL PORTABLE

*Finest of home-sized typewriters*

You don't have to learn to use a Royal. At its keys you type easily, naturally—faster than you write by hand. Standard 4-key keyboard. Many exclusive features. Handsome! Sturdy! 3 models... 3 prices. Convenient monthly payments.



Only \$33.50  
to \$60

### ★ REVOLUTIONS ★

Why do we have them?  
When was the first one?  
What is the last one?  
The answers are all in

**Roger Shaw's  
HANDBOOK OF REVOLUTIONS**

Just \$1.00

REVIEW OF REVIEWS, 233 Fourth Ave., New York

## ACCOUNTANTS!

Increase your ability to handle new problems, new conditions

with this great 1730-page handbook of modern expert practice. Gives information you need to handle any situation, everyday or emergency, from simple bookkeeping to higher accounting. Principles, working procedure, records, forms, analysis, control, reports, auditing, etc.—91 big sections in one handy volume for desk or brief case—the famous Accountants' Handbook.

Widely used by executives, credit men, bankers—over 120,000 copies bought. Nothing else like it at any price. Based on all antitrust, legal, financial, banking, accounting. Editorial Board of over 70 experts. Content would fill 10 books, usual style.

Write today for 32-page sample section, free, with full details and low cost of this great Handbook. No charge; no salesman will call.

(Mail This Form)

**THE RONALD PRESS COMPANY,** Dept. M. 803  
11 East 26th Street, New York, N. Y.

Please send me, without charge, the 32-page sample section of the Accountants' Handbook with full information about this book and its low cost.

Name (please print) .....  
Address .....  
City ..... State .....



farm budgets are thus upset, and the Government seems to be bungling and making mischief everywhere, simply because it has gone so far out of the natural sphere of governmental activity."

The writer of that article had better get in an airplane and visit the vast drouth area and familiarize himself with what to do with millions of cattle, without feed and water and starving, and make apologies for the above article. If left to private buying, the major part of these drouth cattle would not have brought anything. They might not have been purchased at all, in which case they would have had to be shot and destroyed, and instead of making mischief, the government certainly is performing a sensible and humane act and deserves the praise of the entire country for its timely help. Who supposes in an emergency of this kind that private buyers could handle so many and would pay even the prices paid by the Government? Instead of destroying prices for Eastern farmers it has reduced the shock on prices that otherwise would obtain.

If Eastern farmers were in such a predicament, would Western people bawl if the government went to the aid of their Eastern friends? Selfishness of one section of the country in such disasters is entirely un-American. Further, instead of "Communities" your article should have said "States" covered by this drouth. You were wide of the mark.

W. R. EVERETT  
Dickinson, North Dakota

### Insurance Rates

To the Editor:

I am writing in reference to the recent article "How Safe Is My Insurance".

Under the subheading "The Cost of Insurance" you state: "Thus the net amount paid to private companies is \$4.13 as compared with \$4 paid to the Association [Teachers' Insurance and Annuity Association] which has no agents, pays no taxes and meets its managerial expenses from an endowment. The difference is increased by dividends which the Association also pays to its policyholders, but they are considerably less than those paid by the private companies."

Unfortunately, in comparisons of this kind, the reader is very apt to think that the true comparative net costs are approximately \$4.13 and \$4. The *Hartford Courant* in a review of your article states, "The Association pays dividends to its policyholders but apparently they do not increase the difference materially." As a matter of fact, our present dividends per \$14 premium paid on an Ordinary Life policy at age 21 at issue average a little more than \$2. Thus, our dividend per \$4 premium paid on such a policy averages about 57 cents, resulting in a net figure of \$3.43.

You state in your article "The average yearly rate of the five largest companies on a \$1,000 life policy beginning at the age of 21 is \$17.45." On the assumption that this is an average of dividends paid in 1933 on policies of various kinds and for various ages at issue, and that roughly the ratio of the average premium charged by the five companies is to that charged by the Association as 5 is to 4, the net amounts would be \$4.13 paid to the five private companies as compared with \$3.69 paid to the Association.

You will agree, I think, that comments on our rates—we are the only company whose rates you quote by name—in the pages of the *REVIEW OF REVIEWS*, are a matter of no little interest to us. I hope that in fairness to the Association

you will call attention in an early issue to the comparative net amounts shown in the preceding paragraph.

R. L. MATROCKS  
Actuary, Teachers Insurance and  
Annuity Association of America  
New York City

This letter speaks for itself.—Ed.

### School Changes

To the Editor:

In the recent article, "Ferment in Cloistered Halls" you state: "Albion, a small college in Michigan, has announced that classes will be done away with during the coming year. Personal conferences, seminars, and occasional lectures will replace them and the student will be largely on his own responsibility."

Is not Olivet College, also in Michigan, the one you refer to?

T. E. SUNDERLAND  
New York City

Olivet College is correct. The changes contemplated there are similar to those now being made in a number of colleges and universities throughout the country. Some of these revisions of the traditional classroom-and-credit arrangement are drastic, while others are attempting gradually to eliminate this system. In general it may be said that there is a wide effort being made to better orient the student during his first year or two in college, and then put him to work in a special field, essentially on his own initiative, for the last two years. In some instances the student may attend a junior college and then attend a "senior" college or university. The number and attendance of junior colleges is growing. In a certain sense the individual emphasis has always been present in our traditional curricula, in that able teachers have taken a personal interest in students and have attempted to give them the guidance now more generally exercised by "modern" administrative personnel.—Ed.

### How It Is Done

To the Editor:

Can you show me, by an example, just how the three individual indices (see p. 56, August) are combined into the *REVIEW OF REVIEWS*' Index of General Business? Ad-dition, averaging, or what?

A. W. BALDWIN  
Springfield, Mass.

The three indices on Page 56 of the August *REVIEW*, covering Financial Activity, Distribution, and Production, are combined in the following fashion: the financial index is given a weight of 17; distribution, a weight of 31; and production, a weight of 52. These weights are based upon the relative contributions which these three fields made to the national income in a normal year. To get the final figure of 58.5 for the month of June, we take the index of financial activity, 29.6 multiplied by 17. To this we add the index of production, 61.1 multiplied by 52; and distribution, 71.2, times 31. This aggregate sum is then divided by 100, which gives us our index of 58.5. In a similar fashion, the component indices within each field are given an appropriate weight, and the composite index for the field determined.—Ed.

# Are YOU still the Man you Used to Be?

Do you get up with the same zip in the morning? Do you plough through a tough day's work with all the enthusiasm and energy you once had? And then leave your office at night fresh and eager for whatever the evening holds in store? Can you carry on exactly as you used to, doing *all* of the things you like, as well as those you have to do, and through them all—work or play—never show a sign of tiring or edginess or nerves?

You probably aren't dying as I was, twenty-six years ago when I was fifty. You may not consider yourself sick, or even below par. But whether you're nineteen or ninety, sick or well, wouldn't you like to guarantee yourself the same measure of health that has given me a thirty-five-year-old body at 76, and which, barring accident, I expect to carry me on for at least another thirty years *without ever growing old*? Wouldn't you like the same state of well-being that has kept me literally immune from sickness and even colds for the last quarter century after having known nothing but sickness the first fifty years of my life? Wouldn't you like the same vitality which permits me at least 85 hours high-tension business activity weekly without even beginning to tire—the keen, forward-looking mind I have at an age when most people, if they are alive at all, are very, very old? *I will give you all that—and more!*



Robt. G. Jackson, M.D., at 76

At 50, fellow physicians gave him less than four months to live. Today, at 76, he is rated a man of 35 by vital tests used by insurance companies. The health knowledge he offers you has brought new life to thousands.

## I'll Bring you the Vitality of Youth, and add Many Extra Years to your Life!

How? Simply through my philosophy of "natural health through natural living habits leading to natural immunity from disease," —the same philosophy that enabled me to win my battle with death twenty-six years ago, after fellow physicians said I could not possibly live four months—the same philosophy that has kept me vitally alive, mentally alert, physically perfect, and youthfully active ever since—the same philosophy which has opened an entirely new vista of life for untold thousands who have read my book "How To Be Always Well". Please don't stop here simply because other health books have disappointed you. If I can believe the hundreds of unsolicited letters I receive each week, "How To Be Always Well" is entirely different from any other book ever written.

### A Complete Regime for Zestful Living

It is *not* simply a book on diet, or exercise, or any other single thing. It is a complete, all-inclusive plan of life that will bring you your full share of glorious health, permanent youth and zestful vitality. It tells how to perfect and coordinate *all* five chains of bodily activity on which health depends, how to choose compatible menus or meals, how to build an alkaline blood

st r e a m,  
"Nature's  
f i r s t  
d e f e n s e

against disease, fatigue and premature death," how to derive the greatest benefit from exercise and bathing, how to relieve mental and emotional tension, how to sleep refreshingly—in short, how to get well and stay well throughout a long, active, purposeful life stretching years beyond those generally considered "old".

What's more, it does not call for radical or impractical changes in your living habits. It is written for TODAY, for today's life, today's tempo. Neither does it call for the use of drugs, medicines or health apparatus. The trivial cost of the book is all that you pay to learn and apply the knowledge which I have gained through a life of study and research.

### A Proven Philosophy for Getting Well and Staying Well

My own life offers dramatic proof of the results that come from following my philosophy. At 50 I was crippled with arthritis, half-blind from Glaucoma, and dying from blood pressure and a worn-out heart. Fellow physicians gave me less than four months to live. It was then that I determined *not* to die and started my new living regime. I not only got well, but fifteen years later, at 65, I won "Physical Culture Magazine's" first prize of \$1,000 for bodily perfection against all comers of all ages. Today, at 76, I can do anything the average twenty-two year old can do *and do it better*. I walk ten miles a day, can run five miles in forty-seven minutes and put in at least 85 hours weekly in business. I have not had a minute's sickness in twenty-six years. *Vital tests of insurance companies actually rate me a man of 35.* Though the full story of my life reads more like fiction than fact, I could cite countless cases among

my followers to prove that "How To Be Always Well" definitely points the way to an abundance of radiant health and vitality for any man, woman or child, *regardless of age*, and, almost without exception, *regardless of their present state of health*.

### Prove Its Value Without Risking a Cent

I don't ask you to take my word or the word of over 90,000 owners of "How To Be Always Well" for its tremendous worth. I don't ask you to believe that my philosophy will help you simply because it enabled me to fight my way from death's door at fifty and live on as one of the world's most active, vital men for twenty-six years. I simply suggest that if you are interested in your own physical well-being, in a youthful, perfectly proportioned, disease-free body, you examine "How To Be Always Well" *at my risk*.

Simply use the coupon below requesting your copy on approval, either enclosing your \$5.00 deposit of the purchase price or indicating that you prefer to have the postman collect it. Keep the book a full week. Read all of it or parts of it. Then if it doesn't sell itself to you, if you don't feel it's worth many times the cost, simply return it and your \$5.00 deposit will be refunded without question.

Remember, there is no obligation on your part. Remember, too, that time is a precious factor in traveling the road to health. Why not mail the coupon now, TODAY, before it slips your mind?

Department 63, Jackson Bldg.,  
Buffalo, N. Y.

**Send  
No  
Money**

**Jackson Publishing Co. (Dept. 63), Jackson Bldg., Buffalo, N. Y.**

Please send me copy of "How To Be Always Well", 449 page, de luxe grained Fabricoid, illustrated edition. I will deposit \$5.00 plus few cents postage representing payment in full with the postman on delivery.

It is understood that if I return book within 7 days my \$5.00 will be refunded immediately.

We pay postage if you enclose \$5.00 with this coupon. Same return privileges of course.

Name.....

Address.....

City..... State.....

Over 90,000 Copies  
Already Sold



**Satisfaction  
Guaranteed**

Size 8x5½ ins., 449 pages, illustrated, revised and enlarged edition. De Luxe grained Fabricoid binding with title stamped in gold.



"HE HAS AN AMAZING AMOUNT OF INFORMATION AT HIS FINGER-TIPS, ON ALL KINDS OF SUBJECTS. MANY OF THEM RELATE DIRECTLY TO THIS BUSINESS. EVERYBODY CONSULTS HIM. HE IS INDISPENSABLE TO US."

"Each day he devotes a fixed amount of his time at home studying the Encyclopaedia Britannica. 'I wouldn't trade that set of books for all the other business books in the world,' he said."

You will say the same thing! You can own these books for a small initial payment and balance on easy terms. Send the coupon today. No obligation.

ENCYCLOPAEDIA BRITANNICA, Inc.  
3301 Arthington St., Chicago, Ill. Box 61A-10  
Gentlemen: Without obligation, please furnish me full information on latest edition of the Encyclopaedia Britannica.

Name \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_

## BECOME AN EXPERT ACCOUNTANT

Executive Accountants and C. P. A.'s earn \$3,000 to \$15,000 a year. Thousands of firms need them. Only 1,000 Certified Public Accountants are in the United States. Those who attain this rank are C. P. A.'s. Examinations or executive accounting positions. Previous experience unnecessary. Personal training under supervision of staff of C. P. A.'s. including many Accountants and Auditors. Accountants. Write for free book "Accountancy, the Profession that Pays". LaSalle Extension University, Dept. 1067-H, Chicago

The School That Has Trained Over 1,200 C. P. A.'s



### WANT A STEADY JOB? Work for "Uncle Sam"

Start \$1260 to \$2100 a year  
MEN—WOMEN 18 to 50. Common Education usually sufficient. Short hours. Many Fall examinations expected. Write immediately for free 32-page book, with list of positions and full particulars telling how to get them.

FRANKLIN INSTITUTE  
Dept. J238 Rochester, N. Y.

Learn Public Speaking  
At home—in spare time—20 minutes a day. Increase your salary. Gain self-confidence, through ability to sway others by effective speech. Write today for free booklet, How to Work Wonders With Words. North American Institute 2601 Michigan Av., Dept. 1047 Chicago

**How to Cash-In  
with Your CAMERA**  
Magazines, Newspapers, Advertisers, are buying 134,000 photos every week! Make good money—spare time, full time—taking human-interest pictures that sell. Earn while you learn how to take more pictures. You now have unlimited opportunities. Our unlimited Marketing Service helps you cash in quickly. Write now, no obligation, for FREE BOOK, "How to Make Money With Your Camera," UNIVERSAL PHOTOGRAPHERS, Dept. 3410, 10 W. 33rd Street, New York City.

# Books! Books! Books!

## 42 Years in the White House

THE MEMOIRS of Irwin (Ike) Hoover, for many years chief usher in the White House, have been published serially in the *Saturday Evening Post*. The material is contained in the book just published by Houghton Mifflin (\$3.50): "42 Years in the White House." The volume contains an innumerable number of interesting and illuminating items about the Presidents, as seen by a shrewd and tolerant observer. Ike Hoover began his career under President Harrison and served honorably in executive capacity until his death in 1933. Here are a few of his personal recollections:

"One of the favorite stunts of the Theodore Roosevelt children was to crawl through the space between the ceilings and floor where no living being but rats and ferrets had been for years. They took delight in roller skating and bicycle riding all over the White House. Giving the pony a ride in the elevator was but one of many stunts. . . . T. R. remarked on leaving the White House, that 'perhaps others have lived longer in the place and enjoyed it quite as much but none have ever really had more fun out of it than we have. . . .' When Taft became President, after a stirring campaign on the part of himself and T. R., he threw himself into a chair and said, 'I am President now, and tired of being kicked around. . . .' Taft was the first President to play golf. . . . Wilson played at all hours and at all seasons but never became proficient. He played for amusement, not sport."

"In the old days it was no uncommon thing for a rat or mouse to present himself in the dining-room at mealtimes. During the Theodore Roosevelt administration, I remember at least two occasions when the family dinner party was broken up to chase a rat around the room. It was great sport for the male members of the family, the President included. . . . When Taft came into the White House, a large tub had to be placed in his bathroom, since the one already there was not big enough. The President would stick in it when bathing and had to be helped out each time. . . . When vacationing in South Dakota, President Coolidge wore white kid gloves, but Mrs. Coolidge made such fun of him that he went back to the darker shade. In fishing he just held the rod. Bait was put on for him and any fish he caught were likewise taken off the hook for him. The secret service men complained bitterly when it fell to their

lot to perform this most unusual fishing function."

"President Hoover always appeared to be unhappy at musicals. He remarked once to Rosa Ponselle, 'I didn't think I cared for singing, but you have converted me.' Wilson enjoyed the theatre. Once during the war secret service men convinced him that he should not expose himself to an assassin's bullet by sitting in his customary open box. For one performance he sat in the back of the theatre, but the next time returned to his box, saying, 'I felt guilty hiding behind women's skirts, sitting in the back seat.' . . . Mrs. Taft and Mrs. Harding interested themselves most in their husbands' official business. . . . Mrs. Harding declared that she 'made Warren Harding President.'"

Of all the occupants of the White House under whom Ike Hoover served, he considered Woodrow Wilson and Theodore Roosevelt the most outstanding and the ablest, the majority of the others essentially "average" men.



IRWIN (IKE) HOOVER  
greets Premier Laval at the  
White House in October, 1931.

## The Barter Lady

FOR MANY years the subscriber to the REVIEW or

REVIEWS who was best known among its office personnel was a widowed woman farmer who lived in Maryland. Highly educated, especially trained in music, the untimely death of her husband presented her with two legacies: one a family of five young children, the other a farm planted with 30,000 young pear trees. When she could not pay cash for her reading matter, and offered fresh-killed chickens instead, she became a subscriber doubly welcome. Later she dropped in on the Editor in New York, after she had paid an unexpected before-daylight call on a commission merchant who had informed her that a carload of choice tomatoes had spoiled en route and must be sold at a sacrifice. She showed the middle-man his "mistake".

Mrs. Evelyn Harris has now put her farming and bartering experiences into a book, "The Barter Lady". She has no need for scrip. She bought dresses for her daughter with pounds of butter and cords of wood. She bought the wood cutter's labor by permitting him to keep half the wood that he cut. She paid the plumber with a live Christmas tree and five pounds of home-made chocolates. She found that eggs at 13 cents a dozen filled her market basket almost as high as eggs at 30 cents a dozen some years earlier. But she always had to find money to pay the mortgage interest at the bank. We recommend Mrs. Harris'

15 ALL BRAND NEW—JUST PUBLISHED



## The Avenging Crusader

"YOU'VE ruined Blanche, you've made an outcast of Cyril, and now you're trying to do the same with Vivian. You can't!" And with the protesting words, a shot rang out.

Thirty generations of Banbrookes had passed away since the Crusader had been laid to rest. Yet still the legend persisted that in time of dire peril, his ghost haunted the castle. And not haunted merely, but acted in just such downright fashion as a Crusader would.

Now the direst sort of peril hung over the Banbrookes, and someone—Crusader or another—calmly removed it by putting a bullet neatly into the forehead of the cause of that peril.

How that one mystery led to other and still more baffling ones, how murder stalked through the night until none seemed safe, and how the climax came when they broke into the Crusader's tomb, makes one of the most thrilling tales of—

## THE TIRED BUSINESS MAN'S LIBRARY

### 15 Intriguing Volumes of Mystery, Detective and Adventure Stories

The greatest enemy of health today is strain, worry. And there is nothing, as you know, that relieves strain so surely as forgetting all your worries in the pages of some interesting murder mystery. Theodore Roosevelt was an ardent reader of detective stories, and his "pep" and energy after seven years in office astounded the world. President Wilson frequently turned to mystery stories when the cares of office became too great for him. President Franklin Roosevelt, on his trip to Hawaii, took with him 75 of the latest mystery and detective stories. Change is rest, you know, and physicians everywhere say

that these fascinating tales are the most complete rest the mind can get, aside from sleep.

You can add years to your life—to say nothing of greater enjoyment to all your evenings, by spending an hour or so each night with one of these new Sherlock Holmes of crime. You can face the world refreshed each morning, you can be a giant in mental energy, merely by washing your mind clean each evening of all fears and worries and thoughts of business, forgetting everything that troubles you in the pages of these gripping tales of crime and adventure.

Here in 15 volumes is the pick of all the new detective stories, murder mysteries and tales of adventure. Here is the cream of the new crop of mystery and adventure tales. Here is the best our editors have been able to find in all the thousands of new manuscripts submitted to them this past year. Fifteen gripping volumes that hold the key to relaxation and rest. Fifteen volumes that you can read when you like—but pay for at the rate of one a month.

### Oppenheim's Best Books—6 Volumes FREE

In all the world, few writers of mystery and adventure and intrigue are so well known as E. Phillips Oppenheim. The sales of his books have reached the millions. Here are six of his most fascinating mysteries, six on which much of his great reputation was built. Thousands of them were sold for \$2.00 each. You get all six—with our compliments—if you use the attached Coupon at once!

The Coupon below will bring to you The Tired Business Man's Library without cost and without obligation, FOR A WEEK'S FREE EXAMINATION—to read, to pore over, to enjoy. And with it, a complimentary set of six of Oppenheim's best stories.

Will you TRY it? Will you mail the coupon NOW—while these stories are new, while you can still get with them one of our last few sets of Oppenheim—FREE?

Review of Reviews Corp., 233 Fourth Avenue, New York

—Tear Off This Coupon Here and Mail—

RR 10-34

REVIEW OF REVIEWS CORP.  
233 Fourth Ave., New York, N. Y.

Yes—I want one of those FREE 6-volume sets of Oppenheim. Put me down for one right away, and send to me—*prepaid*. FOR A WEEK'S FREE EXAMINATION, a set of The Tired Business Man's Library, containing 15 of the newest and best detective mystery and adventure novels.

I am enclosing first payment of \$1. If I am satisfied I will send you \$2 a month for 15 months. Otherwise I will return the books within one week and get my \$1. back.

Name.....

Address.....

City.....

Occupation.....

Read these 15 volumes NOW! Pay at rate of 1 book per month.



FREE 6-Volume Set



# A New Way to Increase Your Vocabulary



New device (sent FREE for the asking) does FOR you, automatically, something you have always wanted to do!

## Add A New Word Every Day

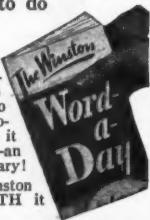
Are you ever at a loss for words—uncertain about pronunciation, spelling, exact meaning? Do you want to use, *confidently*, words you may often skim over? Do you sometimes feel that your conversation or correspondence is dull, hackneyed?

To increase your vocabulary, to make yourself more interesting or persuasive—"Learn a New Word Every Day." HERE is a novel device which makes it easy to do that automatically!

### It's FREE

Each day this Winston "WORD-A-DAY" selects and presents one forceful, constantly useful word so ingeniously (with definition, pronunciation, derivation, etc.) that it becomes—*during that same day*—an unforgettable part of your vocabulary!

The coupon will bring The Winston WORD-A-DAY free. Right WITH it will be mailed full facts about



### The WINSTON Simplified DICTIONARY

This new kind of dictionary defines 100,000 reference words so clearly that their use and meaning can be understood instantly. It is for busy people in home, office, school. So up-to-date is it, so easy to use, that it is acclaimed by such great popular writers as Booth Tarkington, Mary Roberts Rinehart, Zona Gale; yet so scholarly that it is used at Princeton, Harvard, Stanford, and other seats of learning. Mail coupon for full information about it, and the free WORD-A-DAY. The John C. Winston Co., 210 Winston Bldg., Philadelphia, Pa.

**THE JOHN C. WINSTON COMPANY**  
210 Winston Bldg., Philadelphia, Pa.

Please mail to me The Winston WORD-A-DAY—FREE, without cost or obligation. Also include information about The Winston Simplified Dictionary.

Name \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_

## The Book You Want

NOT simply a reference book. NOT only entertainment. NOT just facts. But a book that has all those features combined with just the information you need about the World's present governments and entanglements. "International Alliances."

### SHAW'S OUTLINE OF GOVERNMENTS \$1.50

**REVIEW OF REVIEWS**  
233 Fourth Ave. New York

## WHAT IS THIS STRANGE FORCE

—the thinking mind?

You begin to live when you learn to heed this inner mind, awakening your natural thought forces. For centuries the Rosicrucians have collected and guarded basic facts on successful living; truths which guide one's path through life. For free booklet, explaining how to acquire this knowledge, write Scribe L. B. Y. ROSICRUCIAN BROTHERHOOD, San Jose, Calif.



book heartily, but appease the reader's curiosity by whispering that both children and pear trees are full grown and that "the barter lady's" main ambition in life—to prove that her husband had not made a colossal mistake—has been achieved. (Doubleday, Doran. 338 pp. \$2.50.)

## Where Speculation Begins

TO DEFINE WHERE investment leaves off and speculation begins is a matter which has long troubled economists, legislators and ordinary citizens. John T. Flynn tackles it in "Security Speculation: Its Economic Effects". He defines investment, essentially, as the purchase of stock for profit through dividends and the upbuilding of the business itself; speculation is, fundamentally, the purchase of stock for profit through changes in the market price. Such, he maintains, is simply gambling.

Mr. Flynn is convinced that speculation serves no justifiable purpose; that it does not maintain a free and healthy market. He claims that the greater part of speculation is carried on by members of the New York Stock Exchange itself, and points out that a Senate Committee questionnaire showed that in 1929 not more than a million people out of 123-million were speculating in that fateful year. He denies that speculation has played any vital part in the building of American business, such as in the steel, shipping or automobile industries. The present Securities Act he considers too liberal; he would abolish margin trading altogether, along with the specialist, the floor trader and the inactive stock exchange member.

It is the opinion of this reviewer that Mr. Flynn's book will jar not a few die-hard conservatives; he has the zeal of the reformer, and he backs up his sweeping statements with statistics and documentary evidence. One may well question the lengths to which Mr. Flynn would go in his reforms but can hardly doubt his disinterestedness. His case is too strong to be dismissed as "radical". Mr. Flynn is no neophyte in finance, for his experiences in Wall Street cover many years. (Harcourt Brace, 332 pp. \$3.)

EVEN the most prolific newspaper readers, who scan the day's news with a keen eye and a quick wit, find it difficult to keep tab on who's who and what's what in the world today. For example, one reads in big black headlines that Mussolini may support a Hapsburg in regaining the Austrian throne. What will this mean to the peace of Europe? Who will pull the strings? What issues and what men are involved? To answer such questions Roger Shaw, foreign editor of the REVIEW OF REVIEWS, has written an "Outline of Governments". In

the first part of the book he covers the various world organizations, religious and anti-religious movements, the struggle of democracy and dictatorship, and political issues being fought over on a thousand fronts. He then covers in concise form the historical background, political structure, economic situation, and the leading men of each nation on the globe. He does not omit such far away spots as Nepal, Iraq and Bhutan along with his discussions of leading powers. Shaw is impartial without being dull; he appreciates the aims and ambitions of all classes of people. He has put together an excellent narrative of history in the making, explaining where we are and where we are going in government. The book is informative without being academic and should be useful for ready reference. (Review of Reviews Corporation. 212 pp. \$1.50.)



JOHN T. FLYNN  
author of "Security Speculation: Its Economic Effects".

studies them and development, and if traditional concepts do not square with present day considerations, he does not hesitate to discard them. While Mr. Cole is objective and specific in his thinking, he expresses a belief that the ultimate solution is the socialization of all institutions and activities. Conditions being what they are, he does not see how economic or social freedom for the individual can exist without government finally ruling industry. He is aware, however, that socialization would bring a host of new problems perhaps as perplexing as the old capitalistic ones. The author takes up in his chapters such subjects of contemporary interest as the economics of advertising, unused wealth, consumer's credit, and the like. It is a book which can be readily understood and enjoyed by readers unversed in the general subject of economics. (Macmillan. 285 pp. \$4.75.)

## So Red the Rose

STARK YOUNG has written of the old South in his novel "So Red the Rose" with understanding and sympathy; his is a poignant picture. The action takes place in Mississippi and Louisiana, and the time is before, during and after the Civil War. Two families, the McGhees

and the Bedfords, are not much affected by the war at first, but as it drags on, their lives becomes inextricably bound up with it. One of the plantations is burned to the ground; beloved sons fall on the field of battle. After the war the families carry on, but it is plain to them that their day of splendor has gone forever. The McGehee and the Bedford families are representative of thousands of others of the old South; they live, love and die on the field of battle as courageous men and women. Mr. Young is not unaware of the flaws in a society which was based on slavery. But he gives merit its just due. He admires the tradition, the attitude toward life and the vitality of the old South. "So Red the Rose" is a fine novel depicting a splendid era in American life. Highly recommended. (Scribner's, 431 pp. \$2.50)

• • CRITICS differ on the future of the NRA. Some refer happily to its imminent demise, while others note with pleasure its emergence into a permanent governmental institution to regulate business. In his book "Government Rules Industry", Michael Gallagher seems to think that General Johnson and his cohorts are doing a workmanlike job. He explains the background of the recovery legislation creating the NRA and he takes up some of the constitutional questions to be thrashed out in the courts this fall. He pictures the administrators in action, and explains the NRA and its doings for the general reader in a style free of technical verbiage. (Oxford Press, 240 pp. \$2.)

### Veblen's Joke

• • IT IS ONE of the prize ironies of existence that the ideas of Thorstein Veblen, which reaped for him a harvest of abuse in his own day, should now exercise so much influence upon current economic thought. Veblen himself would have appreciated the joke; it is unfortunate that he did not live beyond August, 1929. "Essays in Our Changing Order" is a collection of various papers by Veblen written over a period of some thirty years. He digs deep, and calls upon many other sciences for information and illustrative material. Nothing is beyond investigation. For example, ladies might well squirm when he notes many similarities in the dress of modern women and the regalia of tribal wives in the Congo. He talks of many subjects now prominent in the press, such as Japanese expansion, Bolshevism (which he sees as no menace), Christian morals in the competitive system and the position of the Jews in modern civilization. (Viking, 472 pp. \$3.)

THE interesting 1934 "American Civic Annual", edited by Miss Harlean James, is in its fifth year. It is a "a record of recent civic advance with a list of who's who in civic achievement among the members of the American Civic Association". Fully illustrated, it is devoted to land planning, national parks, national forests, the national capital, housing, regional planning, state planning, and municipal works. Published by the American Civic Association, Inc. (Washington, D. C., 278 pp. \$3), it is a useful compendium.

## An Epochal Book Completed

For More Than  
100 Years  
Each New  
Edition of the  
Merriam  
Webster  
Has Marked an  
Epoch in American  
Education



The New  
Merriam  
Webster  
Now Ready Is the  
Most Important  
Contribution to  
Educational  
Equipment  
In 25 Years

## NEW 1934 WEBSTER'S NEW INTERNATIONAL DICTIONARY Second Edition

### A New Creation—Greater Than Its Famous Predecessors

The past quarter-century has witnessed an evolution in Man's practical and cultural knowledge comparable to no other period in civilization's history. The foundation book of education, Webster's New International Dictionary, had to be remade to comprehend this vast change. No mere revision was adequate. A new creation was necessary—a new book that could serve the present generation as Merriam-Webster's have served preceding generations for more than a century. The stupendous task of making a NEW Merriam-Webster has been completed. A new book has been created that is beyond comparison with any other ever published.

### 207 of the World's Greatest Specialists

The greatest corps of editors ever organized was created to make this volume and to maintain the Merriam-Webster reputation for "supreme authority," in every department of knowledge.

### 600,000 Entries—The Greatest Amount of Information Ever Put into One Volume

The scope and completeness of material in this book make it a source of information on every subject in the whole range of human knowledge. It is the key to every science, every art, every branch of man's thought and activity. Never before has any book covered as many subjects.

*See the New Merriam-Webster at Your Bookstore or  
Mail Coupon for Free Illustrated Booklet*

William Allan Neilson, President  
of Smith College, Editor in Chief  
600,000 Entries—Greater by 122,000  
than Any Other Dictionary  
12,000 Terms Illustrated  
Magnificent Plates in Color  
Thousands of Encyclopedic Articles  
35,000 Geographical Entries  
13,000 Biographical Entries  
200 Valuable Tables  
Synonyms and Antonyms  
Improved Pronunciation Guide  
3,300 Pages  
New Type, New Plates,  
Cost, \$1,300,000.00

G. & C. MERRIAM CO.  
Springfield, Mass.

Please send me without cost or obligation your illustrated booklet describing Webster's New International Dictionary, Second Edition—The New Merriam-Webster. (R.R. 10-34)

Name.....  
Address.....  
City..... State.....

### STAUNTON MILITARY ACADEMY

One of America's distinguished preparatory schools. Prepares boys (11-18) for college and trains them to meet life. Separate Junior School. Special teachers. Catalog. Box W-10, Kable P. O. Staunton, Va.

BRAHMS, Bach, Beethoven and all great composers, the masterful symphonies immortalized on 100,000 new, large records (value \$2), for 50c and 75c each. Catalogue.

THE GRAMOPHONE SHOP, INC.  
18 E. 48th St., New York Wickersham 2-1876

## Bucknell University

A Co-educational University with a background of ninety years' service to American youth. Offers, under its new program, a broad general education in the first two years, freeing the last two years for concentration, pre-professional and professional specialization.

There are over one thousand students enrolled. The faculty is carefully selected and there are adequate religious opportunities. All athletics are organized.

Full information will be gladly sent you on request. Please address

The Registrar, Box R  
BUCKNELL UNIVERSITY  
Lewisburg - Pennsylvania

### LEARN ACCOUNTING at home

—at a fraction of the usual cost

NEW developments in business spell attractive and tremendously broadened opportunities over next few years for men who know accounting. Responsible work; better than average pay; direct road to executive positions or own practice.

Train yourself now in spare time, with identical lecture notes, practice sets, problems and solutions developed at Northwestern University and used in over a hundred other colleges. Organized, graded lessons for systematic home study, from elementary to advanced accounting, including costs, audits. Thousands have learned this practical, low cost way; splendid C.P.A. preparation.

#### Send for this FREE BOOKLET

Fill in and mail the coupon below for free booklet "How to Train for New Opportunities in Accounting," with full details of unique advantages and easy terms of payment. No salesmen will call. Write now.

Mail This Form  
THE RONALD PRESS COMPANY  
Dept. M 804, 15 E. 26th St., New York, N. Y.  
Send me free booklet giving full information about use for Home Study of the Complete Accounting Course material developed at Northwestern University.

Name.....  
Address.....  
City..... State.....





**B**REAKING out of old, well-worn grooves into fresh and challenging paths of thought, The FORUM is the most exciting magazine published today. In terse, vivid style The FORUM presents *both sides* of the most important questions of modern life. If you have not seen The FORUM recently, send one dollar for a special introductory subscription for six months (exactly half price!) and enjoy the generally stimulating effect of such articles as:

### THE PRIVATE LIFE OF STAVISKY By James Whittakar

The inside story of the great French swindler

MORALS AND THE MOVIES, by Edward L. Israel

IS FASCISM COLLAPSING? by Robert Briffault

THE WOMAN-ARTIST, by Mary M. Colum

THE WORLD AS I WANT IT, by Norman Thomas

THE SEX TRAP, by Albert B. Shield

YOGA, by Claude Bragdon

THE  
**FORUM**  
AND CENTURY

SIX MONTHS  
for only  
ONE DOLLAR

The FORUM, 441 Lexington Ave., New York, N. Y.

Here is my dollar. Please send me your six months trial subscription.

Name.....

Address.....

R-10

## March of Events

Continued from page 65

### In Germany and Austria

The Reich votes "yes" for its Chancellor President. . . . Austria uses the gallows.

A REFERENDUM of the German people (August 19), called by Chancellor Hitler to approve his occupancy of the office of President as well as Chancellor, results in 38.4 million "yes" votes and 4.3 million "noes". The percentage of opposition is 9.8, compared with 4.8 in November, when approval was sought for German withdrawal from the League and the Disarmament Conference.

A COURT in Vienna, after a five-day hearing, convicts the leader of the Anti-Dollfus group who seized the broadcasting station and prematurely announced the success of their Nazi putsch. The ninth hanging is immediately carried out (August 18).

### Between Nations

Fear and brotherly love continue their age-long rivalry.

NEGOTIATIONS between Japan and Russia, over the purchase by Japan and Manchukuo of the Chinese Eastern Railway, end in failure (August 14). Japanese offers rose from 50 million yen to 120 million plus a wage payment of 30 million to Soviet employees. Russian demands fell from 625 million yen to 160 million.

U. S. MARINES withdraw from Haiti (August 15), where they have assisted in maintaining order since 1915, when the island's fourth president in two years was removed by assassination.

THE UNITED STATES accepts membership in the International Labor Organization (August 20). Authority had been conferred upon the President by Congress in June, and an invitation had been immediately extended.

RUSSIA's ambassador at Tokyo informs Japan (August 23) that Russia considers "The Manchurian authority and the Japanese government" responsible for the arrest of eighty-eight Russian employees of the Chinese Eastern Railway. They are charged with complicity in recent wrecks, especially involving Japanese military trains.

THE COUNCIL of the League of Nations meets at Geneva (September 7) with the Assembly convening three days later. Russia's entry into the League, with the promise of one of five permanent seats in the Council, is an expected feature.

### Short Crops

Drought and acreage reduction combine to produce crops that break low records.

N EVER before, says the Department of Agriculture (August 15), has severe drought extended over so extensive an

# BEHIND THE HEADLINES

## Current Affairs, WHO, WHAT and WHERE

### Shaw's Outline of Government

Never was there a book on government so brisk and amusing, so crammed with pertinent facts of timely interest and value. Never was provided an easier, more interesting way for you to add to your knowledge of world affairs; to improve your conversation; to help children with their studies. It is a surprising fusion of history, civics, economics and personalities, popularly written; a reference book of the unusual kind.

Price \$1.50

### America's Capacity to Produce

By Dr. Edwin G. Nourse and Associates

609 pages, 5½ x 8½, 36 charts in three colors

Is American industry overbuilt—are we suffering from an excess of productive capacity?

Were we living beyond our economic means in the late 1920's, and was the rate of prosperity then reached beyond what could be maintained over any considerable number of years?

This book examines with impartiality the charge that most of the nation's economic woes are due to an excess of plant capacity, piled up during the prosperous years of the 1925-29 period. Using a simple statistical method of measurement, with easy-to-read graphic charts and diagrams, the book presents a complete and realistic picture of American industry during the past thirty years, with particular reference to the boom period of the late twenties, and shows the actual production achieved by the major industries of the country.

Price \$3.50

### America's Capacity to Consume

By Maurice Leven, Harold G. Moulton  
and Clark Warburton

264 pages, 5½ x 8½, 20 charts in one to nine colors

Is inadequate purchasing power a potent source of our economic troubles—has the United States reached a stage of economic development in which it is possible for industry to produce more than the American people as a whole would like to consume? Has the age of scarcity been replaced by an era of super-abundance?

This volume presents the results of a comprehensive investigation of the nation's income groups, and the character and quantity of the consequent expenditures made by these groups. The study also shows what portion of the nation's income goes into consumptive expenditures and what portion into savings, and just how this division affects the national welfare.

Price \$3.00

Order at your bookstore. If no bookstore is convenient, mail your check or money-order to the REVIEW OF REVIEWS. Your order will receive prompt attention.

USE THE COUPON

### HITLER

### Whence and Whither?

By Wickham Steed

4TH EDITION

nearly exhausted in England!

"The best picture yet available in English of Nazi mentality".—New Statesman (London, Eng.)

Price \$1.50

### Handbook of Revolutions

By Roger Shaw

Roger Shaw has written what, in good humor, he calls a "Handbook of Revolutions". Marching in a well-ordered parade, there they proceed along the highway of history—the revolutions—Amazonian, agrarian, racial, colonial, economic—that have upset society for 2000 years. Even the New Deal is allowed the benefit of the doubt and, subject to reservations, is included with the more explicit revolutions in France. And Mr. Shaw refuses to be down-hearted. "Things," he assures us, "are on the move, Spenglers and Banes and Nickersons notwithstanding, it is safe to predict that the year 2000 will be a vast improvement over the not-so-bad year 1900".—Current History.

It seems exceedingly timely and I congratulate the author. I have read it with interest.—Frank H. Simonds.

Author and Expert on Foreign Affairs

Price \$1.00

### Albert Shaw's

### ABRAHAM LINCOLN

His Path to the Presidency and the Year of His Election

In two large volumes, beautifully printed and bound

A brilliant story of the whole period from 1809 to 1861, masterly in its simplicity, dramatic in its effect, with an insight that only a lifetime of Lincoln study could give. For forty years Dr. Shaw has been gathering the more than 500 illustrations appearing in these volumes. The cartoons by Lincoln's contemporaries bring out as nothing else could the struggles, the victories, the hates and the fears of those strenuous times. They strip great issues and personalities of all pretense. They are the one perfect souvenir of Lincoln's time that has been kept intact, untouched by prejudice, or hero-worship. They show you the real Lincoln, virile, outstanding, human.

Price \$6.00

THE REVIEW OF REVIEWS,  
233 4th Avenue, New York City

Gentlemen—Please send me, postpaid, the following titles:

.....  
.....  
.....  
.....

Enclosed find my check (or money-order) for \$..... the publishers' list prices of the books selected.

Name..... Address..... RR 10-34

# 1 Crime Prevention

# 2 Movie Improvement

# 3 Parliamentary Procedure

## TIMELESS TOPICS Treated in Special Fall Series

The problem of crime affects every citizen. The movies, likewise, are very much a public concern. Every organization—political, social, civic, fraternal or religious—needs the support of members with a sound knowledge of Parliamentary Law.

The Christian Science Monitor offers a vigorous and enlightening discussion of all three subjects . . . in three special series of articles . . . appearing from October 3 to December 3 . . . at the attractive rate of

### 2 MONTHS FOR \$1.00 *Including All Three Complete Series*

"Preventing the Cause of Crime" probes a new field . . . tells what is being done and can be done in research, social betterment . . . shows the need for preventing the causes rather than suppressing crime.

What constitutes a decent film? Can the films be made better, and how? Does Hollywood control or is it controlled? These are some of the questions considered in "Who's to Blame for the Movies?" Includes contributions by directors, producers and actors.

"Parliamentary Law Simplified," in a distinctly new treatment, presents a novel grouping of principles, makes study and application of rules easy and interesting.

The coupon gives full information regarding dates and prices of series separately as well as in combination. Subscribe now.

### THE CHRISTIAN SCIENCE MONITOR AN INTERNATIONAL DAILY NEWSPAPER

*Published by The Christian Science Publishing Society, Boston, Massachusetts*

The Christian Science Monitor  
Dept. RR-10 at One, Norway Street, Boston, Massachusetts

Please send The Christian Science Monitor to the address below for period indicated by check mark. Remittance is enclosed.

- Oct. 3 to Dec. 3, two full months including all three special series \$1
- Oct. 3 to Oct. 23, "Preventing the Cause of Crime," 18 articles .50c
- Oct. 24 to Nov. 10, "Who's to Blame for the Movies?" 12 articles .45c
- Nov. 12 to Dec. 3, "Parliamentary Law Simplified," 18 articles .50c

Name.....

Address.....

For regular daily Monitor subscription: 1 month, check here ( ) 75c; 3 months ( ) \$2.25; 6 months ( ) \$4.50; 1 year ( ) \$9.00.  
For Wednesday issue only, including Weekly Magazine Section: 6 issues ( ) 25c; 3 months ( ) 65c; 1 year ( ) \$2.60.

area and affected so large a proportion of farmers. The main drought damage is in the shortage of feed pasture.

COFFEE destruction by Brazil passes 30 million bags, according to announcement of the New York Coffee Exchange (August 17). Destruction began in June, 1931, and now amounts to a million bags a month, with only three months more necessary to wipe out the excess surplus. Normal world consumption is 2 million bags per month.

A WHEAT control program for 1935 harvest is announced by the Agricultural Adjustment Administration (August 23). Acreage will be increased from 59½ million to 62 million; 46 million acres will be planted by farmers who coöperate in the control plan, and 16 million, it is expected, by non-coöperators. The control program is based upon planting 90 per cent of 1930-32 acreage, instead of 85 per cent as in 1934.

THE GOVERNMENT crop report (September 10) indicates meager harvests. Corn acreage will give the smallest yield since 1881—1,485 million bushels, 59 per cent of the 5-year average; wheat 493 million bushels, 56 per cent. Oats, barley, and rye crops will be less than half of normal.

### Obituary

Augustus Thomas, 77. Dean of American playwrights. August 12.

Mary Austin, 65. Novelist of the Southwest. August 13.

Raymond M. Hood, 53. Architect, designer of skyscrapers in New York and Chicago that are famed for their simplicity. August 14.

Albert Blake Dick, 78. Founder of the A. B. Dick Company and a pioneer in the field of labor saving office equipment. August 15.

Henry T. Rainey, 74. Member of Congress from Illinois for fourteen terms and Speaker of the last House. August 19.

John A. Topping, 74. Former president of the Republic Iron and Steel Company. August 24.

Marcus M. Marks, 76. Public spirited citizen of New York; father of daylight saving. August 26.

Charles B. Dillingham, 66. Maker of theatrical history in New York City for more than a generation. August 30.

Arthur Jordan, 79. A leading citizen of Indianapolis; president of the Postal Life Insurance Company. September 3.

William C. Posey, M.D., 68. Distinguished Philadelphia authority on diseases of the eye. September 5.

Theodore A. Bingham, 76. Brigadier General, U.S.A., retired; former police commissioner in New York City. September 6.

William E. Hutton, 89. Prominent investment banker of Cincinnati and New York. September 8.

Catherine Breshkovsky, 90. Famous Russian revolutionist, exiled with Kerensky. September 12.

William Lorimer, 73. A long career as Representative and U. S. Senator from Illinois was ended by expulsion, in 1912. September 13.

## Poverty and Plenty

Continued from page 46

### Ethical Base of the New Deal

We have here emphasized the social aspects of income distribution far more than have the authors of "America's Capacity to Consume". This is due to the current challenge of our social structure emanating from the executive and legislative departments of our government. This has in turn been accepted by labor as complete justification for its warfare upon management and ownership, and is responsible not only for the nationwide affliction of strikes but also for the revolutionary promises which issue from Washington regarding the future.

### Silk Hats, Brain-Trusters, and Hard Work

Before proceeding to some of the other more detached contributions of this second volume, to our problem of producing and consuming income, we cannot resist the temptation to explore further its application to current issues. The two volumes "America's Capacity to Produce" and the companion "America's Capacity to Consume" bring out the fundamental fact that a community must produce first what it consumes afterwards. There is no New Deal hocus pocus with gold and silver, mass largesse under the guise of relief, or higher wages camouflaged as a disinterested attempt to increase consuming power, which can alter this basic truth. Consumption must be preceded by production. A more abundant life in the material sense is possible only if labor aided by capital, technological skill, and managerial intelligence (economic rather than political) will produce more. The entire emphasis of social control as illustrated by Washington is toward restraint of output. Labor has been quick to make its own application of this policy. We see it in the objection of the textile workers to the "stretch out". It is a clear symptom of the age of stagnation.

### The Lure of Leisure

The cigarette workers have presented a claim for a 24-hour week. The textile workers want a 30-hour week. Miss Perkins and other influential members of the Government concede the desirability of the 30-hour week. If 30 hours a week is a strictly emergency program the fact has not been made clear either by the workers or the spokesmen of the Government. Regarding the New Deal trend toward a nectar-and-ambrosia economy—in which every worker puts in a few hours a week while enjoying better food, more clothing, finer homes and richer recreation—here is the conclusion of a group of professional students who are not running for office and have no prepossessions to exalt:

"We cannot materially shorten the working day and still produce the quantity of goods and services which the American people aspire to consume. The actual production of 1929 was accomplished on an industrial work week which averaged close to 51 hours. . . . If we were to shorten the working week

# "PSYCHIANA"

(THE NEW PSYCHOLOGICAL RELIGION)

Destined to Reform Spiritual Thought—

A new and revolutionary religious teaching based entirely on the misunderstood sayings of the Galilean Carpenter, and designed to show how to find and use the identical power that He used.

### "PSYCHIANA" BELIEVES AND TEACHES AS FOLLOWS

FIRST: That the message of the Christ as given by Him to the world 2000 years ago has been MISSED IN ITS ENTIRETY.

SECOND: That religious tradition and superstition have hidden the message in an interpretation of His teachings which is utterly erroneous.

THIRD: That the very same Power which Jesus used and demonstrated and which He said WE should be able to use, IS AT OUR DISPOSAL TODAY.

FOURTH: That when Jesus said: "The things that I do shall ye do also," He literally meant what He said. We believe that the New Psychology is proving the existence of such a power, but is erroneously calling it "subconscious mind."

FIFTH: That there is no such thing as a "subconscious mind" and what has been alluded to as such is, in reality, nothing more nor less than the manifestation of an INVISIBLE, LITTLE KNOWN POWER—the very same Power that Jesus used and demonstrated.

SIXTH: That this power was not exclusive in Jesus, but is UNIVERSAL.

SEVENTH: When once understood and used, this dynamic power is willing and abundantly able to give Health, Happiness and Success in whatever proper field it may be desired.



Underwood & Underwood

### DR. FRANK B. ROBINSON

Considered by many to be one of the keenest psychological minds this country has ever produced, believes after years of intense research, that there is in this world today an invisible Power, so dynamic that other forces fade into insignificance beside it. He further believes that this is the identical Power that Jesus used—the Power of God. Dr. Robinson is convinced that the world is on the verge of the most STUPENDOUS SPIRITUAL UPHEAVAL it has ever experienced.

Every reader is cordially invited, with no obligation incurred, to write "Psychiana" for details of this remarkable interpretation of Christ's teaching, which, although in public hands less than one year, has already elicited enquiries from forty-eight different countries. A truly remarkable record.



In his free lecture, Dr. Robinson will open to you an entirely new horizon of thought that will carry you beyond any teachings you have believed, and will tell you something of his years of research for the truth as he knew it must exist. Mailed without obligation on receipt of coupon, filled out correctly and sent to "Psychiana," Moscow, Idaho.

FREE!



#### SHEDDING A NEW LIGHT ON RELIGION

RR-10

Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_

Send this to "PSYCHIANA", Moscow, Idaho

FREE!



Copyright 1934, Dr. Frank B. Robinson



We live today in an era of broken precedent. Each day tempo changes and measures fall into rhythms of something new.

Things happen, some brought about by necessity, others necessitating new regulation.

In **REVIEW OF REVIEWS** you read what happened—an analysis of results.

To live intelligently we must be in continuous cognizance of news, yet it is impossible to read all the important events that appear in a thousand newspapers every day. **NEWS-WEEK'S** staff reads and analyzes each week the significant news of the world. 3,000 reporters help to make its pages accurate, up to the minute—complete.

**NEWS-WEEK** answers the problem of being thoroughly informed, not for your amusement but for your under-

standing. It keeps you abreast of the current scene in a world undergoing repairs. In the intelligent home it is an indispensable supplement to the daily paper.

**NEWS-WEEK**, published on the fastest printing schedule of any news-magazine, presents the news of the world in all its phases—events—pictures—background facts. It selects the news-worthy events, organizes them in order of importance and illustrates them with an average of 50 action photographs each week—yet with these features, found in no other similar publication, it is less expensive than any other truly news magazine.

As a Special Introductory Offer to new subscribers you may have it for nearly a half year at half its already low price—20 issues for \$1 or 5c a copy. Your signature on the coupon is all that is necessary. Mail it today.

## NEWS-WEEK

1270 Sixth Avenue

New York, N. Y.

Please enter my subscription for the next 20 weeks.  
My dollar is enclosed  Bill me on receipt of my  
first issue

Name.....

Address.....

.....

RR10-34

REVIEW OF REVIEWS and WORLD'S WORK

to 30 hours, as has frequently been suggested, with a view to absorbing all complete and partial unemployment, the production would be greatly reduced." Even with a 40-hour week there would have to be an increase of 25 per cent in efficiency to produce the quantity of goods and services which the American people consumed in 1929. The authors do not think that the productive capacity of our industrial plants in general has "been increased materially, if at all, since 1929." It is just too bad to disillusion the little children who vote once a year. Silver-tongued magicians seem to be pulling pop and peanuts in endless profusion out of silk hats. The practical scholars of the Brookings Institution aver that we must work for these things.

#### No Limits in Sight for the Consumer Appetites

At two points "America's Capacity to Consume" reveals a direct commercial significance, the first theoretical, the second intensely practical and egregiously neglected to date. During the boom era, business literature repeatedly referred to saturation points in markets. A study of consumption among families in the higher income groups leads the authors to conclude that "The United States has not reached a stage of economic development in which it is possible to produce more than the American people as a whole would like to consume". This does not mean that our productive energies may not at certain points have been applied unwisely, a fact brought out in the first volume. Serious dislocations have developed during the last thirty years, notably in agriculture, which must be corrected. Unless the labor unions and the will-o'-the-wisp theorists in the capital strangle us, the field for further productive expansion presents an alluring invitation to private initiative.

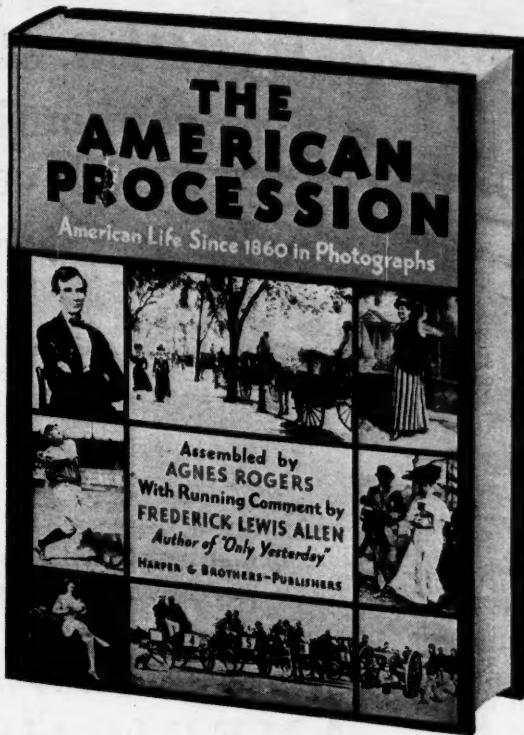
#### The Advertiser Dozes on the Job

The second immediately practical conclusion which flows from this study is that advertisers have made wholly inadequate allowance for the qualitative factor in the selection of media. The emphasis is still quantitative, and the value of an advertising medium is reckoned roughly on the number of its subscribers. Yet here we have evidence that 219,000 families comprising all those with incomes in excess of \$20,000—approximately 1 per cent of the population—consumed as much as 5.8 million families in the \$1,000 to \$1,500 income class. One subscriber in the former group represents a potential consumption equal to 28 subscribers in the latter group. While advertising men have paid increasing attention to the quality factor, the field in general is still in a state of disappointed verdant virginity.

We say "there ought to be a law"—a law compelling every government official, every Congressman and state legislator, every business executive and labor leader, every advertising man and merchant, to read "America's Capacity to Produce" and this second volume "America's Capacity to Consume".

J. S. L.

# The album of the American People!



TURN the pages of this thrilling book of pictures and watch the amazing parade of American life go by. It re-creates the foibles and the follies, the cruelties and the sentimentalities, the sweeping changes in our civilization, the whole incredible march of events from the Battle of Gettysburg to the close of the World War. This history in pictures—interpreted in 20,000 words of running comment by the brilliant author-historian, Frederick Lewis Allen (author of *Only Yesterday*)—reveals, as only photographs can, the presidents and financiers, the theatrical hits, the popular sports, the fads, the fashions, the flavor of day-to-day life in the United States for over fifty turbulent years.

#### 40,000 People Have Bought This Fascinating Book! You Can Get It Free

Among the book's 275 photographs, let your eyes discover the plump chorus of *The Black Crook*, the first airplane flights, a faro game in a Western saloon, Alfred Vanderbilt driving his famous greys, the San Francisco fire, Brady's Civil War pictures, that shocking dance called the can-can, those preposterous 1915 bathing suits, the esthetic youthful Henry Ford, Babe Ruth pitching... Your first reaction will be a howl of laughter but a second turning of the pages will bring a nostalgia for the days that are

gone—for the thrill of seeing fire-horses galloping down the street, for the charming decorum of the hansom cab....

The giant picture book (9" x 12") is yours, absolutely free, if you subscribe to the Review of Reviews for two years at the regular subscription price of \$3 a year and if you are not delighted with the book after five days' examination it may be returned and the subscription cancelled.

YOU TAKE NO RISK!

REVIEW OF REVIEWS,  
123 Fourth Ave., New York, N. Y.

Send me the gift copy of "The American Procession" and enter my subscription to the REVIEW OF REVIEWS for two years. I am enclosing \$1. If after 5 days I am not pleased with the book I may return it and my order will be cancelled and my money refunded. If I keep the book beyond that time I will remit \$1 per month for five months thereafter.

Name.....

Address.....  
(Cash with order only \$5—a saving of \$1)

RR-10-34

275

#### Priceless Pictures

##### Do you remember when—

The Florodora Sextet was the talk of the town?

James J. Corbett beat John L. Sullivan?

"T.R." returned from Africa?

You rode your first bicycle with a coaster brake?

##### Did you ever see—

Maude Adams acting with John Drew?

A Vanderbilt Cup Race?

Sandow carrying a horse?

A U. S. battleship painted white?

Babe Ruth pitching for the Boston Red Sox?

The Perils of Pauline?

##### Were you ever in—

The Hoffman House Bar?

A hansom cab?

An automobile without a windshield?

A mohair bathing suit?

A hobble skirt?

##### Did you ever know—

How much gold came out of the Klondike?

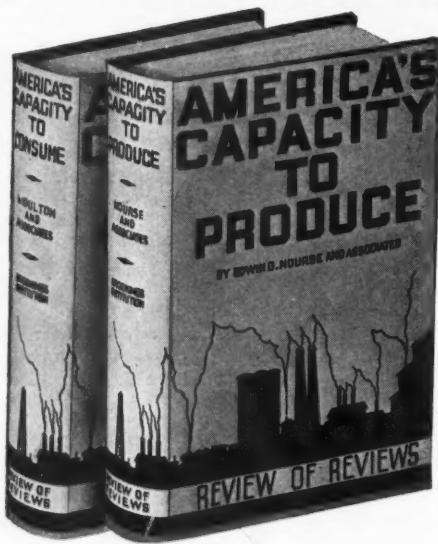
How many people died in the Johnstown flood?

When there were only 7 women stenographers in New York City?

Who Mark Hanna meant by "that damned cowboy"?



**MAIL THE COUPON TODAY**



# *What's ahead -* economic disaster or new levels of prosperity?

WHAT is the answer to our current economic troubles? Are we, as some assert, on the verge of a new Dark Age, or is the way open for us to achieve new peaks of prosperity?

About two years ago the Brookings Institution of Washington, an independent and privately endowed research organization, set itself the task of making a complete survey of our economic affairs, with particular reference to the distribution of wealth and income, for the purpose of learning whether or not, and by what means, we could attain a more efficient and smoother functioning economic system.

Their findings and conclusions are in the two volumes described on these pages.

## The Brookings Institution's Study of the Distribution of Wealth and Income in Relation to Economic Progress

Published June, 1934

## AMERICA'S CAPACITY TO PRODUCE

(Second printing—  
total issue 7000 copies)

Published September, 1934

## AMERICA'S CAPACITY TO CONSUME

(Initial printing order—  
7000 copies)

EACH of the volumes in this study sets itself a severely limited objective. The first volume presents an objective picture of our economic society as a producing mechanism. Our entire system of production is analyzed with a view to ascertaining the trend of capital expansion in the United States, and the capacity of our production plant and labor supply to produce the goods and services which society requires for the satisfaction of its wants.

The second volume shows how the national income is distributed to various groups of income receivers, the character of the consequent expenditures made by families at the various income levels, and the bearing of income distribution upon its division by the receiver into savings and consumptive expenditures.

These two volumes comprise one of the most comprehensive and enlightening economic studies of the past half century. In the opinion of press and public, they promise to mark a milestone in the history of economic literature. The study is more than a challenge to our present economic set-up—it is a complete and satisfying answer to the gospel of economic despair that has held so large a part of the nation in its grip.

THE REVIEW OF REVIEWS is happy to announce that it is co-operating with the Brookings Institution in the distribution of this important economic work.

*For a complete and detailed description of  
this work, see the page opposite. →*

### From the Reviews of America's Capacity to Produce

"Promises to supply one of the most significant additions to the literature on the subject of America's national economy."

—THE NEW YORK TIMES

"One of the most important and valuable books of the year and should be read by everybody except technocrats."

—THE ANNALIST

"These facts refute the unscientific mutterings of pessimists, radical agitators and purveyors of radical doctrines."

—THE NEW YORK AMERICAN

"It would be hard to over-emphasize the importance of this book."

—AMERICAN OBSERVER

"One of the most challenging studies that have come to our attention."

—THE DETROIT NEWS

"A course for the nation to follow if it would achieve the greatest degree of economic and social welfare."

—SALT LAKE TRIBUNE

"The study is entirely in terms of practical and not theoretical productivity."

—BOSTON TRANSCRIPT

"The Brookings study may well provoke a re-examination of first principles of economics."

—ST. LOUIS POST DISPATCH

"The series may together form an economic testament capable of pointing the way to a reorganized economy adequate to our needs."

—WASHINGTON SUNDAY STAR

"Enough to keep us thinking and planning for some time."

—ALBANY KNICKERBOCKER PRESS

Vol. XC, No. 4  
OCTOBER, 1934

ADVERTISING PAGES REMOVED  
**REVIEW  
OF REVIEWS**

AND  
WORLD'S WORK

THE PROGRESS OF THE WORLD

## What Will He Do with His Victory?

By ALBERT SHAW

### Will Government Regulate Us Permanently?

AS THIS MONTHLY survey makes its appearance, the political campaign of 1934 is at its height. The Republican party, which had been regarded in many quarters as moribund, if not virtually extinct, has taken the field as a fairly vigorous opposition. For more than a year after his inauguration President Roosevelt had felt himself sustained by public opinion, with partisanship almost forgotten. But his political managers behind the scenes had been looking forward and laying plans. They had not forgotten that elections are won by voters, and they had made every possible effort to gain and hold the favor of voting bodies in large masses. They were interested in majorities, and they were revelling in new-found methods for capturing popularity by wholesale. Their September victory in Maine proved that for this year, at least, they could count upon success all along the line, as they applied means to ends.

The mark of the Roosevelt administration thus far has been its direct intervention in the private affairs of citizens. In war-time, government has paramount business of its own, and it compels citizens to subordinate their own activities. They yield their freedom to the compulsions of a public predicament. But in peace-time it has been customary to leave the ordering of their daily lives to the people themselves, with certain limitations. War is a national adventure, emphasizing unity; and the individual states of our federal system are not permitted to use armed force against one another, nor can they act aggressively against foreign countries. In times of peace, the ordinary affairs of citizens under our form of government are subject, in almost every aspect, to rules and regulations made by the states in the exercise of sovereign powers belonging exclusively to them.

When our federal government has chosen to go to war, it must needs imitate the centralized governments of Europe, especially those of Great Britain and France. It magnifies its functions, and it drains the resources of the states. It creates a monumental public debt, with no regard to the burdens it is laying upon the backs of generations unborn. It continues the war-created scales of expenditure by setting up pension rolls that

ELECTION forecasts herald undiminished prestige for President Roosevelt. Will he lend his strength to build up a still greater bureaucracy? Or has the time come to declare that the emergency is past, and remove the strait-jacket?

distribute monthly largesse to hundreds of thousands of individuals, in every nook and corner throughout our continental area. With the pretense of an enlightened regard for the public welfare, it discriminates against minorities in its tax laws, and caters to the demands of favor-seeking bodies so organized as to control the political action of voters.

This tendency on the part of the central government at Washington to assert in peace-time the over-ruling powers that it exercises in war-time is either desirable and worthy of encouragement, or else it is unwise and is to be treated as exceptional and temporary.

### After Election the New Deal May Relax

NEVER BEFORE in our American experience has this use of the federal agency been carried so far as in the present year. It will be sixteen years next month since the Armistice was signed and the Great War was ended. Yet it might be argued that we are witnessing an assertion of central authority in a direct way over the personal affairs of the American people that goes even farther in many respects than that which Congress and the President were employing for war purposes at the height of the conflict in 1918.

We have come to a time when it is reasonable to ask whether this unprecedented state of things is to be permanent, or whether it is to come to an end before long, either abruptly or by a rapid process of tapering-off. Eventually, the decision will be made by popular verdict at the polls. What we call public opinion, when properly defined, is an influence that prevails under conditions of freedom and fair play. When voters are regimented, or bribed by the million, public opinion may not control results.

A year ago the country was finding its way out of a crisis. Everybody was willing to go as far as possible



POSTMASTER GENERAL (National Democratic Chairman) Farley whispers in the ear of Mayor Frank Hague of Jersey City. Mayor Hague, New Jersey political boss, bitterly opposed the nomination of Mr. Roosevelt in 1932, but now occupies a prominent place on the band-wagon.

in accepting the view that the nation's recovery from the bank panic had been due to the intervention of the Executive, acting with authority conferred upon the President in the extra session of Congress. Recovery from the business paralysis caused by the collapse of the banks was an affair of weeks rather than one of years. Money is a government function, and the solvency of banks in unusual times is also an affair of laws and government. But the processes that lead to a return of maximum business activity after a period of depression are slow, and not usually regarded as subject to government direction and control. The banks had just been saved, and gold reserves made safe, by emergency steps. Why, therefore, could we not end the depression itself by presidential ukase?

Certainly the country was willing to be helped out of the bogs and dismal swamps of depression and set upon the high road of prosperity by the waving of a magic wand. In former times, when speculation had run riot, and when public and private debts based upon fictitious price levels had reached unmanageable proportions, it was not expected that readjustment could come by easy methods. Those who escaped bankruptcy had to make unusual efforts and sacrifices to meet their obligations. But in the spring of 1933 the new Democratic administration was willing to try its hand at restoring prosperous conditions by painless methods. Skeptical voices were not heard above the chorus of general approval. Everyone was eager to have his difficulties solved for him by a benevolent government.

### Considering the Future of NRA

HOW WAS THE THING to be accomplished? There were those who thought it could be brought about by monetary inflation. Others believed that a shortening of the hours of labor, and a radical increase in wage scales, would at once supply jobs to the unemployed and so increase purchasing power that industry would be revived, prices advanced, and debts paid as in normal times. President Roosevelt inspired confidence by the readiness with which he accepted responsibility. He seemed never anxious, never in doubt, smilingly confident always that the Government had remedies for all social evils.

Prevailing gloom was dissipated, and the country made speedy progress toward recovery during the first three or four months of the New Deal policies. But as the second year of the Administration advances, the skeptics are able to make their voices heard. The vaunted remedies have been applied in ever-increasing doses, but they show less and less effect upon the situations with which they attempt to deal.

The President's party has not deserted him, and the Democratic steam rollers will probably accomplish in the November elections almost or quite as much as Mr. Farley claims. But the voting this fall, however large may be the Democratic majorities, will not signify the same hopeful endorsement of the Administration policies that would have been accorded if the election had come twelve months, instead of twenty-four months, after the presidential contest of 1932. The power granted to the President in the sweeping enactment under which the NRA has attempted to regulate all of the country's industries expires on June 16 of next year. The President will expect a Democratic Congress to grant a further extension of this authority, presumably for a year and a half, sufficient to cover the remainder of his term.

The Congress that is to be elected next month will be in session early in January. Emergency powers were conferred upon the President in the special session of 1933 without much question, because that seemed the best way to deal with critical problems. But the next Congress will act with its eyes open, and Democrats will not be unanimous. The South is Democratic, but its experiences with the lawlessness and terrorism of organized labor, brought close to home in the textile strike, will be reflected at Washington in the attitude of its representatives in the new Congress.

### The President Will Now Face a Test

IN COMMENTING upon President Roosevelt's vacation journey by sea, through the Panama Canal to the Pacific Coast and thence to our island territory of Hawaii, we accepted his cheerful and well-satisfied withdrawal from the post of official duty at the nation's capital as in effect a notice to the United States and the world at large that the period of emergency was at an end. This was welcome news, except to the new bureaucracies. The President had always denied that he had sought to act as a Dictator. But unquestionably the activities of the Executive branch of the Government could be justified on constitutional grounds only on the doctrine of life-and-death emergency. The business depression was to be interpreted by the federal courts, as well as by the intelligent public, as equivalent in

the gravity of its possibilities to the traditional hazards of war on the large scale.

When a nation is broken down in the devastating and decimating chaos of warfare, its former governing arrangements do not survive. Russia, Germany, Austria, Turkey lost all the landmarks of their constitutional systems with their collapse as militant powers. The founders of our government were men of great experience and a high order of ability. They knew that the war status required a different emphasis, and they made the President Commander-in-Chief. He could not start a war on his own initiative, but his leadership became a more vital and essential one in war than in peace.

When action rather than discussion is indicated, the reins of authority must be in the hands of one man. But even in war-time the main features of our Constitution are in operation. Without the constant support of Congress in the shaping and approval of war policies, in the supply of men and of materials, the Commander-in-Chief would be checkmated at every turn.

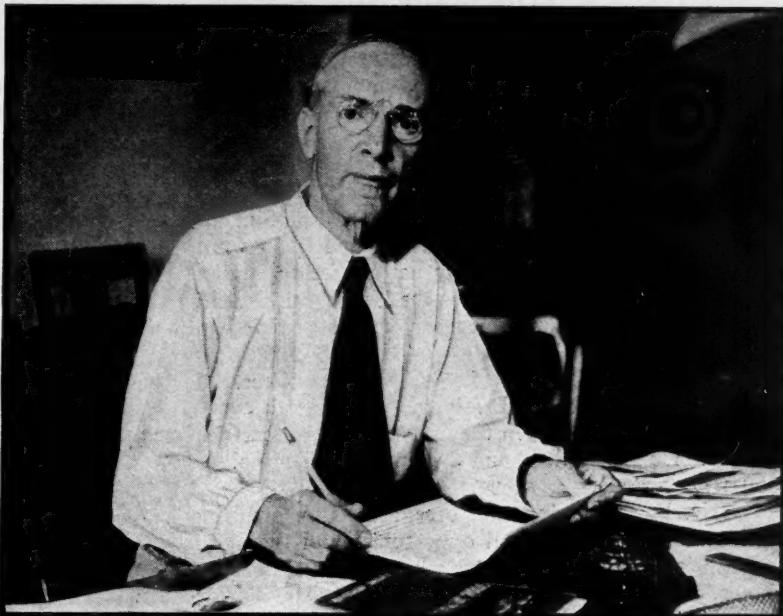
The singular thing—that which differentiates the administration of Franklin Roosevelt from all its predecessors—lies in the fact that the Seventy-third Congress, meeting in special session less than a week after Inauguration Day, proceeded to confer upon the President such a vast range of discretion and power as Abraham Lincoln and Woodrow Wilson had not found needful in prosecuting the nation's two colossal wars.

We have witnessed the use made of those powers, in the hands of so-called "Administrators", for somewhat more than a year. They have seemingly forgotten that their functions were to be temporary. They were to use the stomach pump on a patient rescued from drowning. Or they were to operate the pulmotor under some other circumstance of heart failure. But they have attached themselves to the patient, whom they find capable of paying their emoluments but not capable of managing his own affairs if let alone. There is no use, however, to search for similes in dealing with the situation at Washington. It is President Roosevelt himself, and nobody else, who will be under decisive test in the coming three months.

### Can He Get Rid of the Bureaucracies?

THE NEW CONGRESS will be the first in all our history to meet with as short an interval as two months between its election and its official organization. But for

the change of dates prescribed in the 20th Amendment, the Seventy-fourth Congress would meet in regular session thirteen months after its election. The Congress that enacted the NIRA, having been elected in 1932, would have held its short term in the coming months of December, January, and February, ending its career on March 4 next. Presumably, it would have extended



UPTON SINCLAIR, author and Socialist, now Democratic candidate for Governor of California, who promises to "End Poverty in California." After a two-hour visit with the President he is reported to have remarked: "I thought my ideas were original until I talked with Mr. Roosevelt."

the President's unusual powers to meet the Administration's views. For the following nine months the President would not have had Congress on his hands, and it is reasonable enough to surmise that the year of 1935 would inevitably have witnessed the full flowering of a bureaucratic dictatorship in the United States.

This is not to reproach the President, even mildly. Certainly it is not to accuse him of sinister designs. It is merely to call attention to the fact that there has been created at Washington a wholly new kind of officialdom that has undertaken nothing less than the job of setting everything right and putting everybody in his place. This of course is utterly impossible, short of the arrival of that mythical epoch known as the millennium. In order to have plenty of play for emergency operations, it was supposed at first that a two-year limit would amply suffice. But this was before the New Deal apostolate had been selected, ordained, and sent forth. It was supposed that service of a few weeks or a few months, to help the country get back to its normal conditions of freedom and self-management, was all that would be required.

But that program has been forgotten—or if remembered it has been repudiated. The conditions that had been previously regarded as normal are exactly those that the apostles and their altar boys do not seek to restore. On the contrary, they condemn those conditions, unsparingly. They have in their minds a vision of a hundred and thirty million Americans living well and serenely, always employed at high wages, with short hours and no risks, cared for in sickness, and protected without thought on their own part in their declining years. All this is to be accomplished by adjustments made through the exercise of stern power for everybody's ultimate good. Up to date, their experiments have not produced magical results. Far from discouraged, they grow more determined in the pursuit of their high mission.

## Congress Will Not Be So Acquiescent

ELECTION DAY comes on November 6. The New Deal bureaucracies are not running the Democratic electoral campaign. This is in the hands of the national, state, and local Democratic committees, with Mr. Farley, Postmaster-General and chairman of the Democratic National Committee, as generalissimo. Mr. Farley has traveled widely of late, and he has asked Upton Sinclair to call him "Jim". He talks smoothly, and it does not hurt his conscience—although by nature he is a realist and a practical person—to praise the New Deal. Albeit, he would never for himself dream of being carried to the skies on flowery beds of ease. His job during the year 1931 and the first half of 1932 was to get Franklin Roosevelt nominated for President, with nearly every well-known party leader in the United States otherwise inclined. He succeeded, and he remains the idol of the party workers.

To Mr. Farley's mind, the President is an amazing combination of the political opportunist and the sympathetic encourager of all those who dream dreams, see visions, and utter counsels of perfection. Mr. Farley will win the election next month with obliging deference to the Frankfurters, the Richbergs, the Davises, the Hopkinesses, and all those who would shut mills to promote "more employment" and curtail food production for the sake of a "more abundant life". They in turn can hardly be expected to turn the cold shoulder. In short, they will reciprocate, and find ways to help Farley. "Relief" will not be withheld, other things being equal, from the places where votes are needed. Public works, requiring large federal expenditure on favorite local projects, will not have been announced at such times and in such ways as to disturb Mr. Farley's felicitous climaxes. Statistics will be supplied to prove that, although we are indeed expecting to feed more people than ever at government expense during the coming winter, we would have been far worse off but for the NRA and all the other new bureaucracies.

To people familiar with American politics all these things are natural at election time. The campaign is running even more smoothly than seasoned party workers could have expected. For our part, we are ready to concede that Democratic majorities in both Houses, when Congress meets on the 3rd of January, will be not far below the calculations made in advance by Mr. Farley and his associates.

But it does not follow that the mood of the Seventy-fourth Congress will be like that of the Seventy-third, merely because it also will be overwhelmingly Democratic. Our new Congress will not be acquiescent, like Hitler's Reichstag or Mussolini's Parliament. We may predict with frankness that the New Dealers, whose thoughts of social reform would seem ethereal even in Moscow, will have some rude shocks in 1935. Let no reader misunderstand the trend of this discussion. The people of the United States have always been committed to doctrines of economic equality and diffused prosperity. But also they have known in the past—as the great majority of them still know—that government can do no more than keep the path of opportunity free and open. Beyond that, assuredly, people must learn to help themselves.

The Republican party is doing its best to analyze and to criticize. Also there are new societies, like the

American Liberty League, that are warning us of danger to the Constitution. Assuredly, the Republican party has its place, and should do its best to keep itself alive as the other member of our two-party system. It should avoid going the way of the Liberal party in Great Britain.

As for the leagues and non-partisan movements, they exist for protest. This makes them inherently weak. The country does not like to be told that it bet on the wrong horse in 1932, or that things are going from bad to worse. It praised President Roosevelt to the skies a year ago, and it does not wish to find him otherwise than deserving of further praise and confidence. Almost everybody hates the thought of being dragged down by the failures of an over-ambitious administration. We have too much at stake, as a country and as private citizens, to let things go too far.

## Citizens Should Come to the Rescue

WHAT, THEN, is the conclusion that would seem to us to be sound and sensible? We will state it without hesitation or apology. We elect our Presidents for a term of four years. They hold an office that is more powerful, even in its normal functioning, than any other in the world. We may greatly dislike some things that they do or say. Most of them, as "Ike" Hoover remarked in his book, after serving forty-two years as a White House usher, are "just about average men; with normal conditions, no different from other people". But, for the most part, the office steadies our Presidents, and gives them a certain inspiration that relieves their commonplace qualities.

In any case, the decisions they make are momentous because the country itself is so tremendous in its position and its destinies; and the Government, even at a minimum of activity, is a vital concern in the lives of all the people. We make a good President out of an ordinary official, generally speaking, by being good citizens ourselves, and keeping the White House man up to the mark. It is for us to do our own thinking about public affairs, in so far as we are qualified, and to do as much as we can to help harmonize the social, political, and economic life of which we happen to be a part.

Having chosen Mr. Roosevelt, we installed him in office at an extremely difficult moment. Mr. Hoover was a President of surpassing ability, known throughout the world, and esteemed for unwavering devotion to public duty. His administration was hampered, at almost every juncture, by the fact of a wretched, obstructive opposition that had full control of the United States Senate. In the last half of his term, the Seventy-second House was equally divided, and without control by the leaders of either party. If the Seventy-first and Seventy-second Congresses had bestowed upon President Hoover a mere fraction of the authority that the Seventy-third Congress tossed in the lap of President Roosevelt, there would have been no bank panic. Budgets would have been closely balanced. States would have been helped, through the RFC, to protect their own solvency and that of their municipal and local divisions. Recovery from the collapse of over-speculation would by this time have been well advanced. But the country was not awake to the facts of the situation, and Herbert Hoover, as President, unfortunately lacked the necessary support.

These remarks are not meant to praise Mr. Hoover, much less to disparage Mr. Roosevelt. They are meant, rather, to admonish the country. We suffered greatly because, having elected Mr. Hoover overwhelmingly, we failed to back him up. We shall suffer again, having elected Mr. Roosevelt overwhelmingly, if we do not continue in our endeavors to make his administration a success.

### Get the Country Out of the Strait-Jacket

THERE WERE emotional people—plenty of them, too—during Franklin Roosevelt's first year, who declared that his greatness as a President made Washington himself, and all Washington's successors, look like mere pygmies. This was because the power of government was applied to the relief of a dangerous crisis. Let Mr. Roosevelt have the credit; but remember that any other public man of recognized standing must have done the like thing in like circumstances: that is to say, if Congress and public opinion had coöperated.

It will be the business of the new Congress to work with the President, and to avoid the misfortune and disgrace of a deadlock between the executive and legislative branches of the Government. But, equally, it will be the clear duty of the President to welcome the resumption by Congress of its unimpaired constitutional powers. As we have said in these pages more than once, we are in a period of hard times, but no longer in a crisis.

The country has had its test and strain, and has borne itself magnificently. It showed that it could take orders for its own good. This demonstration of self-control quite justifies the assertion that the American public is now able to resume the conduct of its own affairs. The country itself fairly kicked Congress into turning everything over to Mr. Roosevelt when—in the months of March, April, May, and June, 1933—quick decisions and bold action were necessary. Instead of exercising emergency powers through regular government departments, Mr. Roosevelt tried the experiment of creating several new bureaus. Generally speaking, these have not been a success. We make allowance—those of us who are familiar with public affairs—for the exigencies of party politics; and we must not expect any drastic change of Washington methods until after election.

We are allowed to know, however, that important changes are under consideration; and we must wait a little, and hope for early deliverance. From having felt like a convalescent in an officially managed hospital, the country has begun to feel like a sane person outrageously detained in a lunatic asylum. With high officials at Washington angrily indignant because the Governors of American sovereign states have been protecting their own citizens in the right to continue at their regular work, topsy-turvydom has drifted from



GENERAL HUGH JOHNSON talks with a group of reporters at the White House. The General remained very much in the forefront of the news during the President's study of plans for NRA reorganization.

the absurd to the dangerous. The United States is tired of the strait-jacket, and will manage to get rid of it. But in order to do it properly, public opinion must break through the cordon that surrounds the President and help him to see the need of prompt, voluntary action on his part.

Either party is capable of carrying on the government of the United States, if it has a chance. In the Hoover period, unhappily, neither party was in control, and we had a deadlock with bad times resulting. In the early part of the present administration, also, neither party was in visible control, because we had constructive coöperation, with partisanship laid aside, and this was praiseworthy as a matter of weeks or months. But the Democratic party cannot abdicate its responsibility, even in favor of a Democratic President, without making a disastrous failure if the Republican party and the best non-partisan opinion should cease to coöperate.

### Democrats, Please Come Forward!

BUT THIS COÖPERATION is no longer possible, because the need for it is well behind us. The new Congress will be Democratic, and it will not be expected to be a mere rubber stamp for one bureaucracy after another that is now regarded as an excrescence upon the federal system. Democratic leaders in Congress, and experienced Democrats in the Cabinet, should make it their principal business after the election is over to help Mr. Roosevelt disentangle himself from the terrible maze of the new bureaucracies. Certainly Mr. Hull, Mr. Swanson, Mr. Roper, Mr. Dern, Mr. Cummings, and Mr. Farley as well, would prefer to see a normal Democratic administration, with all the nondescript overgrowths swept away.

The NRA, which seemed at first to have a few

useful duties to perform, soon extended its activities until it overshadowed all the rest of the government. Its raucous tones gave the country no peace by day or by night. It is ridiculous to say that a proper national policy regarding child labor bears any relation at all to the separate existence of the National Recovery Administration. As for the regulation of commerce, it is simply for Congress to decide whether it will change the Sherman and Clayton anti-trust laws, or let them alone. If it modifies them somewhat, industries will be better able to lessen the evils of competition. As regards industries like coal and petroleum, it is possible for Congress to coöperate with the states in regulating the use of natural resources.

Trying to control the relations between employed people and their employers is no proper affair of the federal government. This is true for several vital reasons, the chief one being the reason that such control is impossible unless the government itself becomes the sole employer.

New York City is by far the greatest metropolis ever inhabited by the populations of Eastern Europe. These people like to stay in the great city, and the federal government is now helping to feed a quarter of them in idleness. This is accomplished by means of a sympathetic and energetic Relief Administration, whose personally modest and frugal chief has the courage of sincere convictions that (many people think) would speedily bankrupt a country much richer than ours. While the Relief bureau makes it easy for the gregarious masses to stay in the slums of cities, another bureau is trying to revive country life and place the cities' unemployed on subsistence farms. Meanwhile, a third bureau offers princely sums to the same cities for rebuilding the slums, and providing model tenements at minimum rental charges, to keep the unemployed where they can be conveniently "relieved".

At the beginning of 1932, "relief" in New York City was on the basis of about \$50,000,000 per annum. A year later (1933) the prospects were for approximately \$100,000,000 direct relief payments during the next twelve months. The present year (1934) has found the metropolis distributing "largesse" at the rate of \$200,000,000. We are assured that by the first of February, four months hence, the rate will be considerably higher than it was in 1934. If the city and the state of New York could escape, somehow, from the heavy exactions of the Washington government, they would gladly renounce the alleged benefits.

Dr. Powell, arriving from a studious tour, writes in this number of social conditions in Russia. By hard work and willing sacrifices, the Russian people are going forward. They pay their way, and are consistent Socialists. But we are in some danger from a half-baked socialism that lives on borrowed money, denounces hard work, and turns against the old-fashioned views of economy, balanced budgets, and self-help. No wonder that Mr. Lewis Douglas could not continue as Director of the Budget, after last year's brilliant and noteworthy service.

There would be no use in trying to convert the personnel of the NRA and the AAA to the happy view that they have already more than fulfilled their duties to the country, and would be justified in resigning their posts at Washington and going back to professorships or other stations in life from which they were called to be "administrators". It is in the nature of the thing

that those who are exercising unaccustomed power should think it necessary for them to continue. They become ever more obsessed with the view that they are saving the country from itself.

#### Medals and Papers for the Professors

THE BEST EVIDENCE, however, that the New Deal—through the very intensity of its devotion—has fully served its end, lies in the fact that a country restored to health eagerly desires to free itself from the stranglehold of this new dispensation. It longs to see Franklin Roosevelt clothe himself in the garments of a constitutional President, all in readiness for his message to the Seventy-fourth Congress when it assembles on January 3. He has received much applause already, although even he must know that the volume of it grows less, and that it is somewhat more restrained and less spontaneous. It is now the opinion of a majority of the most capable onlookers that the recovery of employment and of prosperity is being retarded rather than accelerated by the frankensteins of our new bureaucracy. They no longer even pretend to work with one another, although each of them regards itself as indispensable.

The suitable and dignified escape from them is by way of the White House. They should have their medals and their papers of honorable discharge, and the country should be assured by Mr. Roosevelt that (so far as he is concerned) it may now manage its own affairs. No applause he has yet received could compare with the roar of approval that would greet an announcement of this kind from a President who keeps in sight the essentials of the Constitution. It should be a relief to him to get rid of functionaries who have been dodging the federal courts, while whispering behind the scenes about reconstructing the federal judiciary to serve their social theories.

A Democratic Congress would support the President with immense enthusiasm—while suppressing the jibes and sneers of a Republican minority—if Mr. Roosevelt would declare that times are normal, that the Senate and House should resume use of their brain power, and that the forty-eight states should pay their own bills and take care of their own inhabitants.

Like most of his predecessors, Mr. Roosevelt naturally entertains the idea of being elected for a second term. But in order to secure his reëlection he must carry the Democratic convention in the summer of 1936, and have the country with him in the following November. Neither of these things would be possible if the present miscellany of novel bureaucracies were to continue their increasingly unwelcome experiments.

In extricating the country from this plague of arbitrary and meddlesome attempts at the regulation of people's private affairs, Mr. Roosevelt would also recover his own freedom. He would find unemployment dwindling rapidly, if business were allowed to get on its feet and proceed in its own way. It will be fortunate for Mr. Roosevelt if he can believe, in spite of contrary reports, that the criticisms now so widespread are for the most part intended to rescue him and his administration. With Democratic success in the Congressional and state elections, Mr. Roosevelt will have no apologies to make, and the most perfect opportunity to show himself a true statesman. Let him rise on stepping-stones of dead bureaucracies and "brain trusts", and give us a responsible Democratic administration.

#### A HOME OF STEEL

The Stran-Steel house at "A Century of Progress". The flat roof deck was devoted to lounge and recreation facilities.

Courtesy  
*Good Housekeeping*



## Look HOMeward, America!

By L. ROHE WALTER

THE SHUFFLE AND TRAMP of myriad feet. Step . . . stop . . . step again. An exclamation here, awed silence. Dawn . . . to dusk . . . to midnight. . . .

Under the battery of thirty-five million pairs of challenging eyes "The Homes of Tomorrow" at Chicago's A Century of Progress have stood inspection. This for two summers now. And proudly have they met the challenge. Each in its own way. For none has anything in common with its neighbor save the distinction of looking like nothing ever seen before.

Conventional standards have been abandoned. Innovations in materials, in execution, plainly indicate that each house in this astonishing group had its eye on the future.

For example, there was the Crystal House, with its circular pyramided glass walls. An exciting dwelling of tomorrow. There was, too, the narrow skyscraper brick house—one of two daringly conceived structures erected by the brick and lumber industries in defiance of the newcomers: dwellings of glass, steel, and composition materials.

None of these had cellars; all had built-in garages. With the exception of the Southern Cypress and Lumber houses, all made novel use of flat roof-decks and solariums. What was once wasted space had been converted into children's play-yards, sun-decks, cool retreats for summer evenings.

Downstairs floor plans had been turned around. Utility rooms fronted on the streets; living rooms and ground-floor porches backed up to charming gardens.

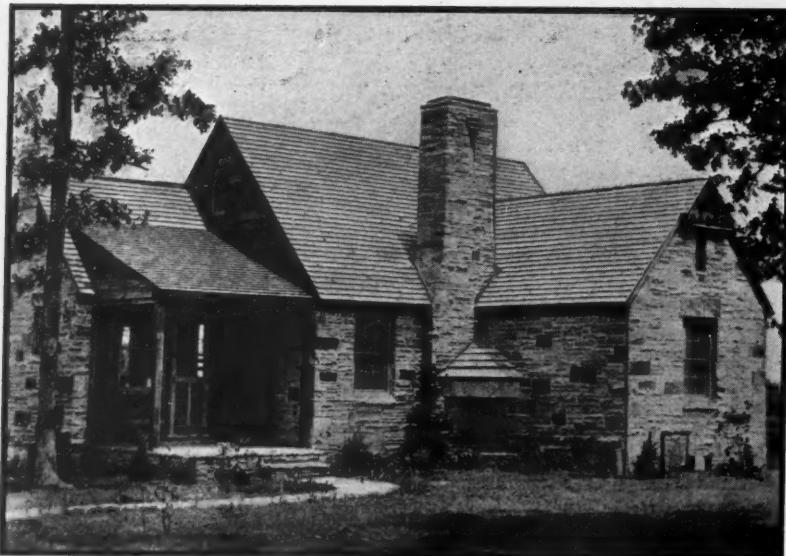
Interiors, under the direction of distinguished decorators, became a happy hunting ground for persons searching for new ideas. Walls and floors agreed with furniture which had been inlaid with dull polished metals. Objects of aluminum were acclaimed. Mirror glass proved its versatility in chairs, tables, and general designing. And of course there was cellophane asserting its beauty and practicality as a wall covering.

Many of those who came to see were enthusiastic over game-boards inlaid in the linoleum floors of recreation rooms, over wooden dishes, fish-net window draperies, the altogether delightful details of decoration that



"AMERICA'S LITTLE HOUSE", a demonstration home for five, now being erected in mid-town New York under the auspices of Better Homes in America, showing a type of home costing between \$6000 and \$8000.

Courtesy *The Architectural Forum*



UNCLE SAM is erecting several types of homes in the Tennessee Valley Authority development. The home pictured at the left sells for \$2000. It was erected at Crossville, Tenn., of native "Crab Orchard" stone and hand-hewn timbers in keeping with its rural location.



A LIVING ROOM CORNER in the all-steel house that was skillfully built by General Houses, Inc., at "A Century of Progress" in Chicago. Note the corner windows. The fireplace is stainless metal.

have grown out of today's needs and tomorrow's demands.

It is evident that the buying public awaits only the proper economic and merchandising cue for its march forward into better and more decorative homes. This attitude was aptly phrased by the oldish lady from Iowa who said: "John, I would like to sell or give away everything in the old house and start fresh in one of these." And John, despite his graying temples, replied: "That's just what we will do, my dear, as soon as we get a good crop."

In short, traditional houses—in these years of grace 1933-34—have been put on trial. And the American buying public now sits in judgment. An accepted standard has been questioned, and a new one has not yet quite found its center. The evolution to come is taken for granted; also the fact that it is irreversible and scarcely yet begun. The Model Houses at the Fair are an almost perfect instance of transition.

The American public, to judge from its reactions at the Fair, is willing to break with the old tradition. For

the followers of the new tradition are assured comfort, convenience, beauty, and economy. Completely furnished and equipped, some of the houses of tomorrow when produced in quantity will cost, according to their makers, less than \$6,000. And certainly the ideas gathered from the Fair's display will spread over the country like dandelion seed. Anything less would be a denial of the public's wholehearted interest in new and better ways of more luxurious living.

#### Prefabricated Houses: One Hope of the Future

While the "Crystal House" and the narrow skyscraper brick house departed most dramatically from accepted standards, there were other less spectacular and more moderately priced houses that held out bright hopes for better living.

These were the prefabricated houses. Typical of these were the exhibits of General Houses, Inc., the Stran-Steel House, the Masonite House, the Rostone House, and the Armco-Ferro Enamel House. None of these was a "built" house, as we accept the term. No cellars were dug; the houses stood on concrete bases moisture-proofed and insulated against dampness and cold. Cellars are no longer necessities, for heating and air-conditioning plants can be

installed in built-in garages or other convenient spots on the ground floor level.

No brick masons, plasterers, or lathers—on the building site—made their conventional contributions. The parts that formed walls and roofs had come ready-made from the factory, in large flat sections of steel or composition materials. They were assembled and put together on the site in much the same manner as the engineer assembles a bridge from the girders and I-beams shipped from the steel mill.

#### Opportunity for Distinctive Homes

Prefabricated houses can be erected and made ready for occupancy within a few weeks after the ground is cleared. They are not flimsily built summer cottages; they are unusually durable, well-insulated homes of eight or ten rooms.

One fundamental question arises immediately. Do people want homes of this type? Will not these prefabricated homes look as drearily much alike as corrugated steel mail-order garages? Is there not an in-

**BRICK WALLS** painted in bands shading from yellow gray at top to gray black at the base; birch furniture, and circular gray wombat rugs, featured the decoration of this bedroom in the all-brick house of the Common Brick Manufacturers' Assn., at "A Century of Progress."

stinctive psychological attitude that makes a person want his own home to express his individualistic preference, to give him a creative outlet?

So far most of the makers of prefabricated homes have fumbled in telling their story to the public. People want homes that differ from those of their neighbors. Certainly they are justified in shuddering at the thought of a house just like the Jones'. But—and this is the vitally important point that must be made clear to the American public—in the better designed prefabricated houses only the parts are standardized, not the houses themselves. Mass production merely leads up to more efficient production and lower final costs. The individual homeowner can have as much leeway for self-expression as the average person desires.

The owner can decide for himself, with the advice of his architect, whether he prefers to spread out on more land or climb stairs; whether he will eat his meals in an ell off the living room or use that space for a library. The only limitations to his planning are the boundaries of the rooms. These must conform to the size of the panels out of which ceilings, walls, and floors are made. Where one man wants a door another can have a window; where one prefers a sleeping porch the other may have a sun-parlor. The law of interchangeability is almost infinite, and its adaptations should satisfy the most individualistic.

#### Better Housing: With Stone, Lumber, Concrete

With all the talk of prefabrication it should still be remembered that a house has features inherent to the locality in which it is built. Where wood remains in abundance, wood is an essential material of building. The same applies to brick, and to stone. As a typical example, one of the Tennessee Valley housing projects uses orchard stone not only effectively but soundly from an artistic and economic standpoint. The houses are built to sell for \$2,000. With every phase of minimum price given consideration, the old and locally available materials were best. Housing is a matter of Where, as well as When, and What.

True, too, that not all interest in better homes has been centered these past two years at A Century of Progress in Chicago. Elsewhere throughout the country are widespread evidences of America's interest in new



Courtesy Portland Cement Association  
A FIRE-PROOF HOME (at Des Moines, Ia.) in the \$5000 to \$7000 class with inside and outside walls of concrete masonry. Cinder concrete blocks have high insulation properties to recommend their use.

homes by the millions and for the millions. The Franklin Brill House in Buffalo, built at a cost of \$1,300, actually achieves the low-cost goal which so many others have failed to reach. Model concrete homes recently built at Omaha and Des Moines were widely acclaimed. The "Forward House" exhibit last year in New York, arranged jointly by the *Architectural Forum* and Macy's department store, attracted great crowds. So did modern housing projects in Cincinnati, Pittsburgh, and other cities too numerous to mention. At present the activities of the Rehabilitation and Modernization Group in New York, the Metropolitan Housing Bureau in Chicago, and the Columbia Broadcasting System's "America's Little House" are but a few of the straws and chips tossing about on the surface, showing the underlying agitation of America's search for better homes.

Perhaps the most novel of all modern homes is the Westinghouse "Home of Tomorrow" at Mansfield, Ohio. It stands as the engineer's conception of what may be expected in household equipment five or ten years hence,

when the convenience, health, and high standard of living represented by its electrical and mechanical equipment are known to the general public. It pays glowing tribute to the frequently overlooked fact that the interior of a home is far more important than the exterior; that service features deserve at least as much attention as furnishings.

### The Electrical Bee-Hive That Is to Be

This New Leisure home, of standard wood and brick construction, contains eight rooms. In it the twenty engineering divisions of the Westinghouse Company have installed a laboratory of household research that is part and parcel of New America's search for the Promised Land. It is an electric-driven home—rather than a human-driven one. In it are electrical gadgets of infinite variety with a work capacity equal to the efforts of 864 servants. This house will consume annually about thirty times the amount of electricity used in the average electrically equipped home of today. It has nearly a score of built-in motors to perform services that are now the bane of every housewife's life.

At present, unless one spends unlimited sums, one cannot duplicate this "House That Science Built", for in many instances it is made of the only units of its kind. But the Westinghouse Electric and Manufacturing Company predicts that within five years mass production can duplicate it, fully electrically equipped, for about \$12,000. Also, its high consumption of electricity will not necessarily mean greater up-keep costs than today's since there is every indication that kilowatt-hour rates will be steadily reduced as consumption increases. Surely the America of the future will be better homed!

### Eliminating Worry from House Buying

Buying a home in a not-far-distant tomorrow will be a much simpler business transaction than today. All the home-owner need do is to visit the "Home Headquarters and Architects' Clinic" in his own town or in a nearby city. There, houses that are within his price range will be presented for his inspection. He will concentrate on the planning and will consummate the purchase by signing documents. But these documents need be no more complicated than those signed by today's purchaser of a car on the installment payment plan.

The owners of these "Homes of Tomorrow" will not be confronted by the complex absurdities which now face the prospective home-owner. Most of the worry of building a home will be eliminated. Mr. Average Citizen need have no fear of getting into involved negotiations with architects, builders, bankers, plumbers, municipal building inspectors, and countless salesmen of building materials. Neither need he gamble that the final cost will be several thousand dollars in excess of his budget maximum. Even weather cannot seriously interfere with his building operations, for there will be no plaster walls or other materials that require sunshine for prompt drying and seasoning.

When a housing organization coordinates all the technical and business details of today's unrelated operations, one of the greatest deterrents to home-building activity will have been eliminated. The book "Middle-

town" pointed the moral by reporting: "It seems to be not so much a lack of raw materials or skill that creates the social problem of a housing shortage as the intricate network of institutional devices through which a citizen of Middletown must pick his way".

### Holding Upkeep Down

The high cost of upkeep, an all too prevalent home-owner's headache, will also be shoved into well-deserved oblivion by the advent of these modern houses of steel, concrete, brick, and lumber. The manufacturers have already produced materials and equipment of greatly improved efficiency for insulation, sound-proofing, better heating. In the average house of today the heat during the first six hours disappears into the cold masonry of the walls. Some of these modern houses have walls half as thick as the average brick wall, yet their insulation properties are four times as great. A new material called Haydite and cinder concrete blocks have excellent insulation properties. In a recent investigation made by a public utility in St. Louis, it was found that a house constructed of cinder block required less fuel than any of ten other types investigated. Translated into cooler houses in summer and easier-to-heat houses in winter, these developments represent both a comfort factor and a dollar-and-cents upkeep saving of first importance.

### Cutting Air-Conditioning Costs

Most of the Fair's model homes were air-conditioned—the ultimate concept of a shelter that in reality controls the weather. Here again a modern convenience makes for more comfortable, healthful living at a cost that will soon be within the reach of most home-owner's purses. True, right now, that prices of air-conditioning equipment are the greatest deterrent to widespread sales. But remember, please, that today's \$600 automobile is a better performer and all-around value than its bulky \$7,000 predecessor of 1926. The moral seems to fit this new industry which provides inside atmospheric conditions that are restful yet invigorating.

The recent formation of Temperature Corporation headed by Walter Chrysler, Jr., is of special significance. It is evident that the Chrysler Corporation is making no small plans for its "Airtemp" air conditioner with a minimum priced unit at \$175. The breadth of the market sought for "Airtemp" is emphasized by the following comment by Mr. Chrysler:

"It was not until the automobile industry developed standardized, mass production methods, offering good products at prices that the great majority of Americans could afford, that the business progressed to where today two out of every three families own a motor car—many of them two cars. Most of these cars—in fact, 62 per cent of them—are bought by persons who earn \$3000 or less per year. The time is at hand when it will be as common for these people to have air-conditioning units in their homes, apartments and offices as it is for them to own a motor car—or a good radio."

This irresistible trend toward model homes, inspired by "A Century of Progress" at Chicago, thus utilizes old materials as well as new, and engages the effort of individuals and of vast industrial enterprise.

Next month Mr. Walter carries on this discussion of better homes, dealing with the question of finance and especially the ways in which Uncle Sam stands ready to aid the home-owner.

# PAYING the New Deal Bill

By  
RAYMOND CLAPPER

DURING 10,000 miles of traveling about the country in the last three months, I found that the question most often asked concerning the Recovery program was: "How is the bill going to be paid?"

It is a question easier asked than answered. The fact is that nobody knows the answer, though any number of persons at Washington will glibly offer what they think is an answer.

But when you analyze the explanations you find nestled somewhere in every one of them a very large "if". Paying the bill will be easy *if* there is prompt and full recovery, say some of the New Dealers. Print up paper money and pay it off that way, say the extreme inflationists—and they actually induced Congress to vote President Roosevelt power to print \$3,000,000,000 of greenbacks to be used to pay government debts. That might be a great scheme *if* it could be controlled and people could be kept from going into a panic over depreciated dollars. Cut down expenses regardless, say the Right Wingers like Lewis Douglas, who quit as Budget Director because Mr. Roosevelt could not see it his way. But there again is a large question mark; it would be a good sound plan *if* it were possible to stop feeding 5,000,000 families who are on relief.

Last January, President Roosevelt expressed the hope that recovery would advance sufficiently so that increased revenues and curtailed emergency expenses would, during the 1935-36 fiscal year, permit the Government to return once more to the good old-fashioned rule of living within its income. That is, balance the budget.

This hope is fading, although it has not been abandoned entirely. Recovery has not been as rapid as had been hoped for. Relief burdens in the coming winter will break all records. Federal officials are making their plans on that basis. The drought calamity already has forced Mr. Roosevelt to go \$525,000,000 above his original budget of expenses for the current



BIGGER income taxes could pay New Deal costs says HARRY HOPKINS.

year. Unquestionably he will ask Congress for more emergency appropriations in January.

So the prospect is not bright that the Government will be able to live much closer to its income next year than it is doing now.

And how is it doing now? Let us first look at the figures for the year ended June 30, the first full fiscal year of the Roosevelt Recovery effort. Receipts were \$3,116,000,000. Expenditures were \$7,105,000,000. In other words, for every three dollars which Secretary of Treasury Morgenthau wrung from the struggling taxpayers, the Government spent seven dollars. During July and August of the present year, the Government took in \$496,000,000 and spent \$930,223,000. The receipts include \$42,934,000 in "seigniorage", or paper profit in the issuance of silver certificates under the recent silver nationalization legislation.

## High, Wide and Handsome Spending

That gives in a high spot the day-to-day picture. What is it in terms of the public debt? On September 1, 1934, the public debt was \$27,080,020,074. A year ago it was \$23,098,703,273. During the fiscal year ended June 30 last, the public debt increased by \$4,514,000,000. You can gauge it better by comparing it with the total revenue of the year, \$3,116,000,000. That is running into debt pretty fast. It is like a man earning

\$3,116 a year living on a scale that costs him \$7,630 a year. President Roosevelt predicted last winter that on June 30 of next year the public debt would reach \$31,834,000,000. The debt already has reached a new all-time high, passing far beyond the war-time peak of \$25,482,000,000 in 1919.

But, looked at in another light, the burden does not seem so crushing as to cause despair. If the debt becomes \$31,000,000,000 next year, as it probably will, that would be equal to a per capita obligation of \$254 against every man, woman, and child in the country. In 1919 the per capita debt was \$240. In Great Britain it is \$858 per capita, according to Department of Commerce calculations.

Government officials from President Roosevelt down have no fears about the difficulty of carrying this burden and of ultimately cutting it down provided there is real business recovery. National income—the income of all private citizens—last year was probably about \$40,000,000,000. In 1929 it was more than double that figure. In the ideal year of 1926, which is used by President Roosevelt as the goal of his price raising efforts, the public debt was \$19,643,000,000 and it was regarded as no burden at all.

So that it is understandable when Under Secretary of Agriculture Rex Tugwell says, as he did recently, that paying off the heavy expenditures now being made for recovery will present no problem at all once profits begin to show up in good, hardy, black ink.

### Recovery Must Fit Specifications

There we bump into one of the paradoxical strains in New Deal thinking. Those who vision the easy paying-off of the debt when business is in full bloom again are at the same time well into a program which is frankly designed to curb profits and to prevent them from assuming the oversized proportions of the Coolidge-Mellon era. The answer of the New Dealers is that the object is to spread the gains more evenly over the population; and that when the more abundant life is generally shared the country will be just as prosperous as before, but throughout all groups and not in spots as in 1929. If this is more desirable socially, the achieving of the end involves radical readjustments which temporarily at least delay the growth of national income and make it less likely that there will be an early crop of liberal profits from which to pay the bills of Uncle Sam.

In other words, this increases the difficulty of expanding revenues. It means that if government revenues are to be increased, more ingenuity must be exercised. Secretary Morgenthau has a squad of experts studying possible tax revisions. Joseph H. Choate, Jr., Federal Alcohol Administrator, is urging a reduction in liquor taxes as a means of increasing revenues on the theory that it will increase sales and reduce bootlegging—which has the double disadvantage of cutting down revenue and adding to enforcement expense.

Congress has to face the tax problem next winter because the so-called nuisance taxes—the taxes on gasoline, checks, telephone calls, movies and such—expire July 1 of next year. These taxes yielded about \$470,000,000 in the year ended June 30. It is probable that in the revision of this portion of the tax structure the net revenue from such taxes will be pushed up, no matter how the individual items may be shifted around. More detailed discussion of this problem will begin in

Administration quarters after the November elections.

Just a hint of what is in the offing may be gleaned from the hard-boiled comment of Harry Hopkins, Federal Emergency Relief Administrator. He was asked whether he thought it would be possible to raise enough money from taxes to pay off the cost of his relief expenditures before the next depression arrived.

"Certainly, and a whole lot more will be taken care of," he replied. "I don't think taxes are stiff in this country. The taxes on real estate are stiff but income taxes are light comparatively. We do not know what real heavy taxation is."

In other quarters there is a feeling that heavier taxes at this time would retard business recovery. But the problem has to be faced some time. Loss of confidence that would result from an indefinite delay in postponing the evil day might easily be more damaging than to buckle down and begin the painful business now.

However, it must be remembered that regardless of what the Administration may propose, Congress regards taxation as peculiarly its prerogative. The last Congress having turned over so many of its powers to the Executive, the newly elected Congress which moves in next January may have some ideas of its own. There is nothing to do but wait and see.

It hardly needs to be said that the bill must eventually be paid out of the average American pocketbook, one way or another. Tons of concrete are to be poured into the Columbia River to build two great dams. Some \$140,000,000 is being spent dredging out the Mississippi River and constructing dams to facilitate river traffic. Army engineers are spending \$84,155,000 constructing a vast dam across the Missouri River in Montana, to hold back flood waters. Materials are being bought. Workmen are being paid. The Government is borrowing money to do it. Some day, somehow, those who have bought government bonds must be paid back. The Government will do it either through taxation or indirectly or by both means. For instance, Secretary Morgenthau announced recently that ultimately the \$2,800,000,000 "profit" obtained by the Government by devaluing the gold dollar down to 59.06 cents will be applied to the public debt. That is, paper money will be printed up to that amount and used to redeem government bonds which may be held by a bank in Wall Street, a retired doctor in Rochester, Minn., or a widow somewhere else.

### The Printing Press in the Background

Another thing could happen—but President Roosevelt is firmly set against it, and it will happen only if his hand is forced by Congress or by events. In the spring of 1933 Congress voted the so-called Thomas inflation amendment. It was added to the Agricultural Adjustment Act. Inflationists in Congress had been demanding action. President Roosevelt was flatly opposed to outright inflation. Fearing that Congress would get out of hand, he persuaded Senator Thomas of Oklahoma to rephrase his amendment into optional form and it was passed. It authorized—but did not direct—the President to issue up to \$3,000,000,000 in U. S. notes which may be used for redeeming government bonds and other evidences of federal debt. The Bureau of Printing and Engraving would print up these notes. They would look like any other kind of paper money, and when you took your bond to the Treasury to be redeemed you would be paid with those notes.

## Do New Dealers Know How the Fiddler Will Be Paid?

**PRESIDENT ROOSEVELT:** "We should plan to have a definitely balanced budget for the third year of recovery, and from that time on seek a continuing reduction of the national debt. The excess of expenditures over revenues, amounting to over 9 billion dollars during two fiscal years, has been rendered necessary to bring the country to a sound condition after the unexampled crisis which we encountered last spring. It is a large amount, but the unmeasurable benefits justify the cost."—From Annual Budget Message, January 4, 1934.

**SECRETARY MORGENTHAU:** "The gross increase in the national debt between March 4, 1933, and June 30, 1934, amounted in round numbers to \$6,000,000. Against this gross increase we can offset, either now or ultimately, the following assets:

(1) An increase in the Treasury's cash balance of \$1,600,000,000; (2) the 'profit' of \$2,800,000,000 resulting from the reduction in the gold content of the dollar; (3) the increase in the net assets of the agencies wholly owned and financed by the Government, amounting on June 30, 1934, to \$1,095,000,000. This is wholly aside from an increase in the capital investment of the Government in agencies which are partially financed by funds raised outside of the Treasury."—Radio Address, August 28, 1934.

**REPRESENTATIVE JAMES P. BUCHANAN**, Chairman of the House Committee on Appropriations: "The cost of the participation of the United States in the World War, exclusive of the loans to the allied governments and the expenses of our Government on a peace basis, was \$23,400,000,000. We are engaged in a different kind of war at this time, but one just as important to the people of this nation. If the cost of defeating this depression should approximate one-fourth our cost of the World War, it would be money well expended. A new United States will emerge from this era, one with greater hope, greater opportunity, greater vision, and a greater soul."

**HARRY HOPKINS**, Federal Emergency Relief Administrator (in answer to an inquiry as to whether the emergency relief expenditures could be paid off in taxes before another depression): "Certainly, and a whole lot more will be taken care of. I don't think taxes are stiff in this country. The taxes on real estate are stiff, but income taxes are light comparatively. We do not know what real heavy taxation is."

**REXFORD G. TUGWELL**, Under Secretary of Agriculture: "The country as a whole will pay its debt out of the profits it will make by spending now the money it is borrowing. . . . If we can spend five billions of dollars and make our economic machine operate so that we can turn our national income back toward the goal of eighty billions of dollars a year, instead of allowing it to produce forty billions and depression, the costs will be more than offset; our nation will profit to the extent of forty billions a year. . . . A manufacturer with a product for which he wishes a bigger market, deliberately borrows, we can say, from a bank to begin a great campaign for development. He will owe that money when he gets through, but if his scheme is a success he can set aside certain of his gains to amortize the costs and feel himself better off for the operation."

**DONALD R. RICHLBERG**, Executive secretary of the Executive Council: "The money expended in these great constructive efforts is, of course, far less than the cost of one year of participation in the World War with its vast destruction of life and property. It has been a small price to pay for a great gain."

The amendment provides that these notes would be retired over a period of twenty-five years.

That possibility at the moment rests entirely in the hands of Mr. Roosevelt, who shows no disposition to resort to it. But Congress might conceivably force him.

That would permit the writing-off of \$3,000,000,000 of the recovery debt.

But it must not be thought that this method or any other such round-about process would not come out of the pocket of the average citizen in the end. He would pay for it through rising prices forced by inflation.

Here again the question comes down to the matter of the incidence of the burden; and that, when it is all boiled down, is the heart of the whole fight over inflation. When an income tax is levied, there is no way of passing it on. You know when you write the law just who is going to pay and how much. When the AAA processing tax is levied, theoretically the city consumer pays it. The miller, for instance, who pays the money to the Government, passes the charge along and it comes out of the hand of the housewife when she goes to the grocery store to buy her bread. Actually the Government doesn't know just who pays the processing tax. Farmers say that the packers have forced the hog processing tax back on them, rather than on to the city consumer. AAA officials are investigating to find out just where the tax ultimately lands.

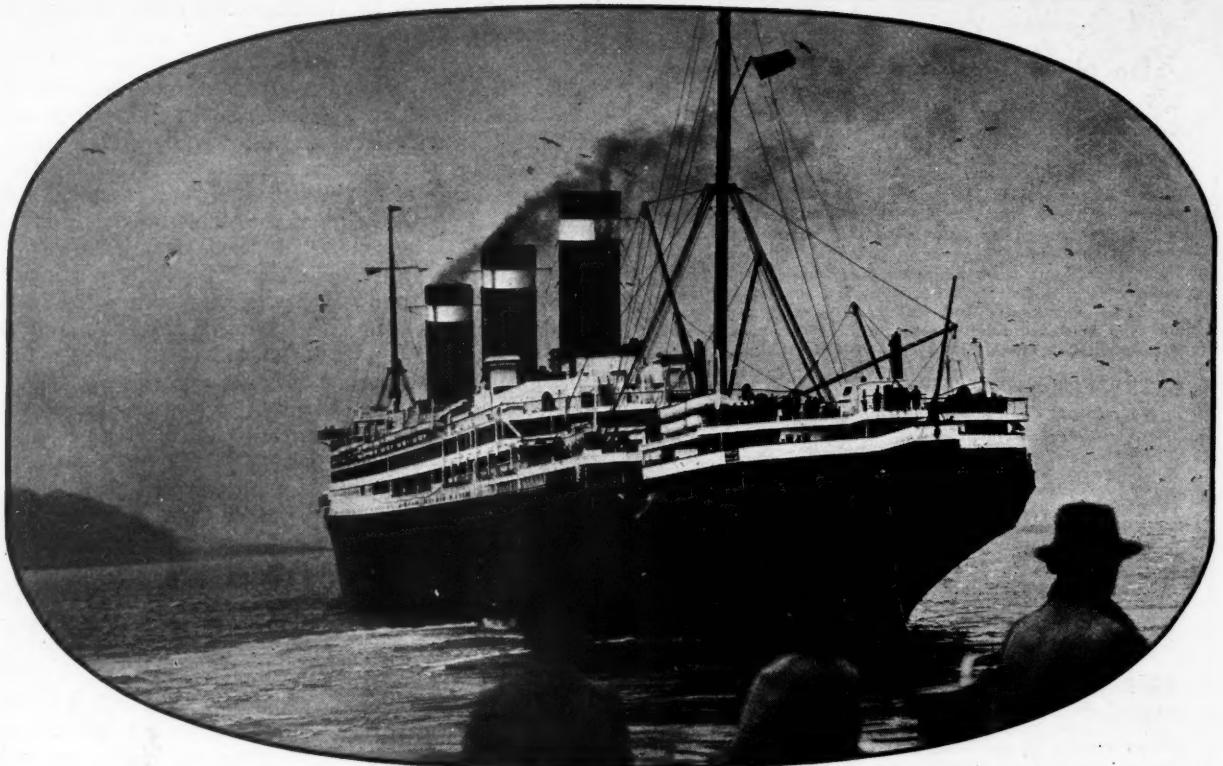
Inflation is a form of indirect tax—or, perhaps more accurately, a kind of capital levy. It runs up prices. In other words, it lowers the value of the currency. The man who owns bonds or a mortgage on a farm finds that his principal has shrunk right in his hands. His interest may have been sufficient to clothe his family, but clothing prices go up and his interest will pay only half the clothing bill. He is helping to pay off the Government debt. But the farmer who owes him the money is not. His share of the burden has been shifted to the investor. Formerly his whole wheat crop would not quite pay the interest on the mortgage. With inflation wheat brings such high prices that he not only can pay his mortgage interest but can reduce the principal.

From these crude illustrations it is easy to see that inflation results in so many dislocations that any responsible executive approaches it with the greatest caution and hesitation.

### The Trial and Error Method

The Administration is attempting by various methods to increase the price level, and thereby obtain, with less jarring dislocations, the same result as the inflationists seek. President Roosevelt tried first to do it by manipulating the price of gold under the theory, now largely exploded, held by Prof. George Warren of Cornell. The Recovery Administration was, as one of its results, expected to increase prices by shoving up wages and production costs. A higher price level is universally regarded as the only alternative to repudiation of debts contracted under former high prices. And it is out of these higher prices that the Government's recovery bill must be paid, whether through direct taxes alone or with the aid of watered currency.

As the result of conversations with numerous key government officials, and a study of their actions taken to date, it seems fair to say that President Roosevelt is reluctant to enter upon extensive and outright inflation, that he is resorting indirectly to a moderate and gradual expansion or dilution of the currency, and that the extent to which this tendency will increase depends largely upon how rapidly business recovery takes place with the firm hope held that this recovery will obviate the necessity of extensive inflation.



The once mighty LEVIATHAN—now withdrawn from service.  
An example of the high costs of super-liner competition.

## Short Rations for Ship Owners

By JO CHAMBERLIN



OUR ailing merchant marine is getting more attention these days than ever before. Now the subsidized shipowners have been called on the carpet to show why their mail contracts should not be cancelled or modified. Some see stormy weather ahead of them, others a snug harbor.

**T**HE sea is a notoriously cruel mistress. For a lifetime of service she often rewards her servants by casting them up on the beach or to the bottom of Davy Jones' locker. Only a few end their days in snug harbors.

The sailor's old foes were storms, fogs, reefs and too much or too little wind. Today, scientific gadgets have made life on the ocean wave safer than before, but a new albatross has been hung round the sailor's neck. The seaman and his boss, the shipowner, are as badly off as they ever were. In the old days ships and hearts of oak were enough to carry through. In 1934, heroism is not enough. The shipping men have new problems of which their ancestors never dreamed.

Today the United States stands second among the merchant marines of the world. Great Britain comes first, then the United States, Japan, Norway, Germany,

France and Italy. Of the United States' 14,000,000 tonnage, but a fraction is in use today. American ships carry about a third of the American business, and our seamen cannot find ships. Among our competitors conditions are none too good, and rare is the government which has not answered S.O.S. calls from steamship lines in financial distress.

There are many reasons why our own shipping is in this sad state and here are just a few: the decline of foreign trade, reduced freight rates, lower construction and maintenance costs of foreign ships, monetary problems, and marketing changes inherited from the war.

In recent years the American government has helped out with ocean mail contracts. These are now being re-examined. Hearings are scheduled to open within a few days before Postmaster General Farley to determine whether they should be revised or cancelled. This prop removed from our merchant marine, the future would be any man's guess. President Roosevelt has said within the month, however, that the merchant marine would be maintained since it was necessary in case of war for defense, and during peace time to hold freight rates down.

American shipping was not always in the doldrums. Shipping is America's oldest industry, and in another sense one of its newest. In the early days the New England forests offered a ready supply of timber, and there were sea-minded men to build boats and man them. With these natural advantages the colonies were not long in becoming shipbuilders for the world. Yankee ships and Yankee sailors were everywhere. The merchant marine was an important factor in the Revolutionary War. Our speedy privateers, which were converted merchantmen, could show a clean pair of heels to anyone. As a result, they took prizes running into the millions during the Revolution and the War of 1812.

### **Yankee Ships, Yankee Sailors**

With the development of the clipper ships in the middle nineteenth century, the supremacy of America was undisputed. The clippers were the fastest things afloat and they demanded bold navigators. Although designed for a high-paying, light cargo, they could haul a surprisingly large volume of freight. Perhaps best known were the China clippers which brought tea from China to London so fast that all England sat up and took notice. The record of the American clipper *Oriental* in smashing from Hongkong to London in 97 days in the year 1850 still stands as an amazing story of what wood and canvas and courage can do. These were the great days of American shipping.

Two things occurred to change the picture. The Civil War over, America was expanding westward. Money was to be made more rapidly in domestic commerce than in building ships. Millions of acres of land lay waiting to be exploited, and capital was attracted to them. Although the first iron boat was built in the United States in 1834, the English soon outdistanced us. Great Britain was superior in the manufacture of iron and steel; English ships could be turned out faster and labor was cheap.

#### **"Praise the Sea but Keep on Land"**

After the Civil War our merchant marine got on the skids and kept going. By the time of the World War less than 10 per cent of our foreign trade was carried in American bottoms. We had, as R. J. Baker has pointed out, exactly seventeen vessels in foreign trade in 1914. Only six were engaged in the North Atlantic trade. Most of our ships were in inland or coast-wise trade where the foreigners were kept out by law.

When the war flared out in 1914, American exporters watched their goods pile up on the docks while the ships which had been carrying them abroad doubled



THE BENJAMIN F. PACKARD, a famous clipper, was built in 1883 when the heyday of the clippers had really passed. A few such ships are still used on the seas. The clipper ships demanded bold sailors and were the fastest things afloat. When iron ships came in, old sailors talked of "giving up the sea and going into steam." Few sailors today are able to find berths on anything. There simply are not enough ships in operation to give them the jobs they seek.

and tripled their rates or scurried elsewhere for even more profitable freight. Our foreign friends charged the most the traffic would bear, and they got it. Americans, had they been in the same place, would have done the same thing.

#### **Building a Bridge to France**

Finally in 1916 the United States woke up. War was imminent. The United States Shipping Board was created to regulate commerce and to pave the way for a revived merchant marine. When the country did enter the war the Board was used as the agency for the government building program. Its subsidiary, the Emergency Fleet Corporation, built a "bridge to France". At the time the cry was for ships, any kind of ships, and it goes without saying that many of the craft hastily thrown together would be unsuited for peacetime trade.

Had the war continued they would have served a useful purpose. As it is, most of these boats have since

been scrapped or else they have rotted into oblivion.

Although many of the contracts were cancelled at the end of the war, the last vessel shot down the ways in 1922. In other countries construction continued as before. The 12,500,000 tons destroyed by shell, mine and torpedo during the war were soon replaced and a surplus thrown upon the world market. In 1920 our Government found itself with 16,000,000 tons of shipping on hand and nobody knew what to do with it.

The Merchant Marine Act of 1920 was designed to promote the merchant marine through the sale of war vessels to private operators under advantageous terms. Credit was to be extended. If necessary, the Shipping Board was to operate vessels temporarily on essential trade routes. Help was also to be given private ownership through ocean mail contracts, although only six were then drawn up. The Government itself established some 35 lines, of which 16 were sold to private ownership by 1928.

### Uncle Sam Charts a New Course

In 1928 when it was apparent that the 1920 bill was not building a merchant marine as hoped for, the Jones-White bill increased the loan fund to \$250,000,000, enabled ship operators to borrow up to 75 per cent of the construction cost of ships at low rates, increased the mail payments and provided that the mail contracts might be lengthened from one to ten years. To avoid the unpleasant word *subsidy*, the money was to be paid to American ship operators in the form of mail contracts. The vessels built on government money were designed so that they should be useful in case of war, and half the crews on them were to be American citizens during the first four years of operation, and two-thirds thereafter. In brief, government money was to offset the differences in building and operation costs of American and foreign ships, and the boats were to be ready if war should come.

A good part of the wartime fleet is on hand today or has been replaced, some 14,000,000 tons, including our lake and river boats. Our seagoing vessels of above 1,000 tons total some 9,500,000 tons and are 1,700 in number. About 500 of them are engaged in foreign trade and about 600 of them are idle. No one has yet discovered a method of making money out of idle ships except a few ingenuous souls who have turned them into night clubs. The remainder of the fleet are in coastal and intercoastal trade. About \$500,000,000 is spent each year on ocean transportation, and some 250,000 men are employed at home and abroad in our shipping industry. It is, obviously, of strategic importance in the national business picture.

The question of subsidizing our merchant marine all boils down to this: either we are going to have a merchant marine or we are not. If we are going to have one, we will have to support it with public funds—although everyone wants to see any business stand on its

own feet. In this instance, however, it is not a matter of the individual shipper setting his own house in order; more is involved than that. Other factors enter in.

### What the War Taught Us, if Anything

The only reason why a merchant marine should be maintained on public money is that it is the right arm of the navy in time of war, and that we cannot afford to get into a position where we can be held up on freight rates by foreign lines. We have been in times past. Experts estimate that a merchant marine makes up about 30 to 40 per cent of our naval strength. In time of war ships are needed to transport men, arms, equipment, coal, foodstuffs and the like—as this country had plainly demonstrated in 1917. Any human being over eight years of age knows that it is not prudent to depend on outside help when trouble comes. If our merchant marine were allowed to dwindle down to the pre-war level, it would be equivalent to towing every third cruiser, battleship, gunboat and submarine out to sea and opening up their sea cocks.

Various economic arguments are offered for the maintenance of our merchant marine. An examination of the shipping records proves little; it is difficult to say whether a country's foreign trade has increased as the result of an aggressive, state-aided shipping, or has been due to entirely different factors. England until recent years has not subsidized her ships to any degree, yet she was and still is the world's largest shipper. France has long helped out her merchant marine with public money but has not yet threatened English supremacy. Nor has Germany, despite the fine comeback she has made since the war.

Healthy shipping is more than a matter of patriotism or domestic boosting; geographical and broad marketing factors really spin the plot. England, for example, is peculiarly well located. Her ships can carry finished

goods all over the world and bring back raw materials or foodstuffs for her mercantile population. A ship unloads machinery in South America and brings back Argentinian or Canadian wheat. The story is more complicated than this, but the illustration will serve.

The United States, on the other hand, "suffers" from being too rich in natural resources; it is too self-sufficient. Shippers want two-way cargoes; ballast does not pay freight. Shipping is often referred to as a "poor country's"

business, and in many ways this is true. A country such as Norway is not rich in land resources, so it finds an outlet for its men and money on the sea. The same was true of the American colonies.

### It Costs Money to Be an American

In the United States entrepreneurs are likely to find the pickings more profitable ashore. The truth is that the sea favors those who practice small economies, work long hours, and are content with small returns.

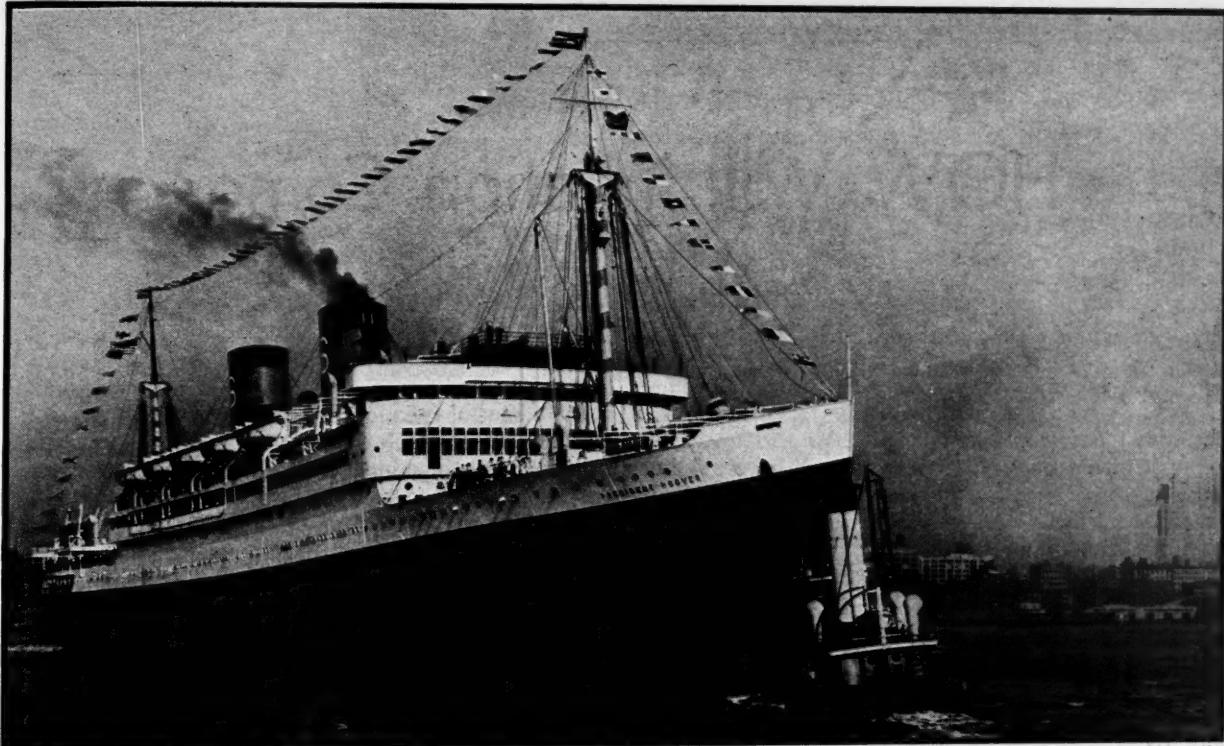
### WHERE SUBSIDY MONEY GOES

A large share of the government's aid goes to offset the competitive advantages of foreign over American ships because of lower standards of living, indicated in wage levels. The construction costs of vessels are also much lower for the same reason.

Average Monthly Wages of American and Foreign Seamen  
(Steam and motor cargo vessels over 5,000 tons)  
as of January 1, 1933

Position	American		British	French	German	Italian (1932)
	Pri- vate	U.S. Ship- ping Bd.				
First Mate	\$164	\$172	\$72	\$102	\$71	\$56
Able Seaman	52	58	27	23	25	25
Chief Engineer	256	250	100	152	114	71
Fireman	54	60	29	26	32	32
Oiler	61	67	31	23	30	31
Chief Steward	111	116	45	39	30	24
Cook	92	111	42	23	30	28

Data from U.S. Dept. of Commerce



THE PRESIDENT HOOVER is one of the largest vessels built in domestic shipyards. It is operated by the Dollar Line for the trans-Pacific trade. In the main, the American companies have not entered the super-liner competition, preferring to build and operate cabin class boats which assure lower operating costs and involve far less money. The one American ship in the super-liner class is the Leviathan which has been anything but a financial success.

It is often argued that if our merchant marine is given help, it can eventually become self-supporting. In the light of the past fifteen years' experience, this argument hardly stands. The fact is that our shipping lines cannot now compete in foreign trade without government help, because it costs a great deal more to build and operate an American ship than it does a foreign one. This difference in cost exists from the time the vessel takes form on the designer's tables until it is scrapped after a lifetime of service. Efficiency will not overcome it.

According to Alfred H. Haag, who made a report to the Shipping Board in 1926, it costs almost a third more to build a ship in this country than it does in Great Britain. Material and labor costs are far higher. In 1932 another survey for the Board showed that superliners cost 15 per cent more, passenger ships 30 per cent more and freighters as much as 51 per cent more in this country than in England. Another authority puts the cost differential at 50 to 60 per cent between American and foreign ships.

Put the American ship *S.S. Mazuma* on the high seas. Wages paid American seamen are about double those of the next best paying boss, the English, and far higher than those of any other country. The Americans are the highest paid men on the seas. There are often more of them per ship; they eat better food and live in better quarters.

The *S.S. Mazuma* will cost on the average from 10 to 30 per cent more to operate on the high seas than its sister ship under a foreign flag. If it puts into an American port for repairs, it pays higher rates again. And whether busy or idle, the American boat, at least until the Government helped out, had to pay a higher

rate on its investment than its foreign competitor. If it did not, American capital turned up its nose and went elsewhere.

It is difficult to estimate just how much our merchant marine has cost us since its rebirth in 1916. Up to July 1, 1933, the Shipping Board had received an appropriation of \$3,651,000,000, but the great part of this money was spent for war purposes and so cannot be charged to peace-time subsidy. It has been estimated that the operating losses suffered by the Government during the twelve years up to June 30, 1933, total about \$247,000,000. In selling its vessels the Shipping Board sold below market prices, the difference amounting to perhaps \$35,000,000.

#### Those Face-Saving Mail-Contracts

Under the 1920 bill some \$4,800,000 was paid out in six mail contracts. Under the Jones-White bill of 1928 \$312,684,000 was to be paid out over a ten-year period, or about \$30,000,000 annually. The report of the Postmaster General for the fiscal year ended June 30, 1933, estimates the difference in cost in carrying the ocean mail and what it would cost on a weight basis at \$23,054,223. The report says, "It is desired again to emphasize the fact that the carrying of the mails is a minor or incidental purpose of these contracts."

Although competitive bidding was followed, the routes specified were designed to prevent the American lines tramping on each other's toes and to help them compete with foreign ships. In return, the operators agreed to play ball with Uncle Sam by maintaining certain standards of service, by constructing new ships and re-conditioning old ones, and by having their new craft approved by the Navy. (*Continued on page 75*)

# ★ HOW Will Inflation Come?

By JOSEPH STAGG LAWRENCE

**A**SUMING THAT THE term could be defined with sufficient accuracy to permit a bet, the odds today would be not less than 4 to 1 that this country within the next three years will have inflation. Like any other aleatory engagement in a field not governed by scientific rules, the odds may change; and the prospect, so vivid and certain now, may alter under the impact of forces that are not present today or that, if present, are impotent.

### Distracting the Attention of the Audience

When the President in the fall of 1933 gave Professor George Warren the monetary controls, and told him to raise prices, the step had other purposes beyond the commendable social objective of stable prices. The inflationists were sputtering exasperation. The farmers were in an ugly mood. Business, after reaching for the moon in May, June, and July was slipping unpleasantly backwards, down the steep slope which it

had attempted to conquer on nothing more substantial than a shot of inflationary and NRA coke.

The incomparable politician in the White House realized that something had to be done, that resounding declamations in favor of sound money would add to his reputation as an economist but might prove fatal to his influence as a leader. The sensational juggling act of George (Thurston) Warren afforded a breathing spell. A hundred and twenty-five million sheep had halted their hysterical stampede toward the sea. They had lost their nervousness and were traveling in the other direction—slowly, to be sure. Flocks in other parts of the world were doing likewise. No matter what merit the gold experiment might have, if conditions improved in the meantime, the change could be attributed to the engaging sleight-of-hand operations of the monetary necromancer from Ithaca.

During the spring months business more than held its own. Steel operations for a period of weeks were maintained between 55 and 60 per cent of capacity. Automobile output reached the highest levels since 1930. Commodity prices were sluggish but security values registered gratifying if slow recovery.

### A Languid Husband and His Shrew

However, there was something lacking in this attempted revival of the New Deal honeymoon. Possibly the spouse, business, found it difficult to get along with a lady who affected such heavy relief rouge and was consumed with a passion for reform the full beneficence of which beat unremittingly upon the distracted mate. The lady had introduced into the household an innumerable train of parasitic relatives (politicians) whose bills the husband had to pay. Nor could he ignore her conduct outside the home. She carried on scandalously with a number of gigolos (subsistence homesteads, power projects, labor leaders) with whom she shared her affections and an increasing portion of her husband's substance. Finally there was no denying the antipathy of her servants (the brain trusters), about whose shortcomings he had to be discreetly charitable.

The husband's activities were a true barometer of marital harmony. They touched a point in May, 1934, a little above the half-way mark between the 1933 low of March and the 1933 high at the end of July. In the last three months



THE HIGH SPOT IN NEW  
DEAL REGIMENTATION  
By Brown, in the New York *Herald Tribune* ©



A YEAR AGO inflation could have been defined as a deliberate increase in currency and credit by the Government to raise capital values and commodity prices.

In the interval any option which the Government might have had has vanished.

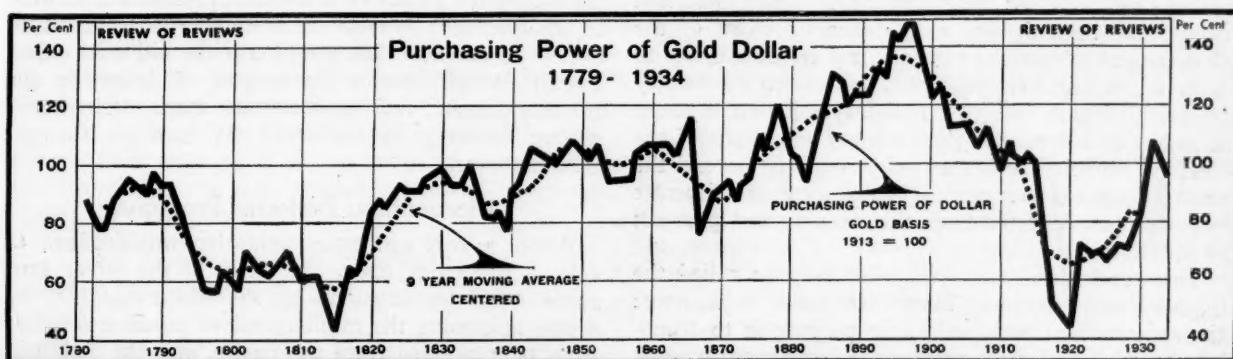
Inflation today means an increase in currency and credit supply to result in a fevered flush of higher prices beyond the control of the Government.

There are three major impulses toward inflation:

1. The experimental impulse. It is provided by the belief that all changes in business have their origin in monetary causes; that monetary factors may be controlled by the Government; and, business today being what it is, that the Government must step in and experiment.
2. The budgetary impulse. The apologies for an unbalanced budget still leave the Treasury in an unpleasant position. The revaluation of the gold and silver in its vaults by official edict produces enormous paper profits, which permit the Government to write-off emergency costs.
3. The theory of stimulated consumption, and the imperative sympathy for the distressed, have raised the relief rolls. This and the alleged virtues of public works assure a continued excess of expenditures over receipts.

The odds for inflation as defined are estimated at 4 to 1 at the present time.

known economist whose theories of money and bank credit are of the fundamentalist variety has been in a chronic state of articulate alarm for years because the war-time right of the commercial banks to borrow from Federal Reserve banks on government bond collateral was never withdrawn. This he considered "inflation". The days of '28 and '29 are still sufficiently fresh to



recall the kind of "inflation" that was demonstrated by the rise in brokers' loans.

### Cause, Intention, Effect

The confusion regarding inflation as a term is the result of a failure to distinguish between intent, cause, and effect. Consider the matter of intent. With its first official breath the new Administration sought a rise in prices, particularly commodity prices. This revealed an inflationary intent. It proposed to accomplish this by increasing the opportunities for employment, raising wages, making liberal loans on farm crops, expanding excess reserves of member banks, and persuading these banks to lend more liberally. These actions may all be described as inflationary in purpose.

On the other hand, the closing of the banks, the curtailment of normal government expenditures, the sustained guerrilla warfare against the commodity and security exchanges, the strangulation of security speculation through fear of hostile legislation, the discouragement to business initiative resulting from the anti-profit policies of the Government, were all deflationary in character and tended to offset the effects of opposing forces. In so far as intention goes, the former policies were inflationary. The latter were inflationary not in intent but in effect. In the matter of gold manipulation the object was a rise in prices, inflationary. It was attained partially in the foreign exchange field, but so imperfectly at home as to raise doubts regarding any inflationary effects whatsoever on domestic prices.

At times the Government, through a faulty grasp of principles, embraces a course which offers an excellent paper prospect of inflation. Such is the effort to restore prosperity through a rise in wages and buying power before the income of business justified the increase. The results were partly obscured for a time by a rise in the volume of business and other economies which offset higher code costs. It now seems that high wages and "collective bargaining" are a deterrent to business recovery, and may thus be considered deflationary.

### Meaning of Inflation Has Changed

The unbalanced budget, the growth of the federal debt, gold and silver devaluation profits, the use of the Federal Reserve banks as a receptacle for surplus government obligations—these are all authentic causes of inflation, to which the term is sometimes applied exclusively. In the agitation which preceded the official birthday of the New Deal and continued throughout its first year, inflation as generally used had a decided element of deliberate government policy. That is to say the Government wanted inflation whether it was called "reflation" or "stabilization". Hence inflation could have been defined as a deliberate effort of the Government to increase currency and credit supplies in order to produce a rise in capital values and commodity prices. Inflation today is a slightly different concept. It means an increase in the currency and credit of the country, resulting in higher prices entirely beyond the control of the Government. The element of deliberate intention has departed from the meaning and prospect of inflation.

This conclusion rests upon what may be called the impulses of inflation. These are three in number: the experimental impulse, whose purpose is to stimulate business and raise prices; the budgetary impulse,

whose object is to disguise the enormous gap between government expenditure and revenue; the relief impulse, which causes the aforementioned gap. Consider these separately.

### The Experimental Impulse

The experimental impulse is based upon a strong faith in the scientific character of money and price interaction. The central proposition of this faith is the quantity theory of money. This maintains that prices are the result of a ratio between the supply of money and credit, on the one hand, and goods and services offered for sale on the other.

More literal quantity theorists admit certain psychological factors in this equation. They say, for example, that the real supply of money is not the total of currency in circulation plus the total of bank credit subject to check, but that these totals constitute only one dimension of the money supply. The other dimension is the number of times each dollar is used during the course of a year. If we have aggregate bank deposits of 35 billion and money in circulation of 5 billion, with each dollar serving 20 times during the course of a year, the total supply of "money" for the period is not 40 billion but 800 billion.

Since fear and hope affect the velocity of this money, such a version of the quantity theory leaves room for business confidence and fear as factors in the supply.

### The "Science" of Money

However, the literal quantity theorists (and among them must be numbered Professor Warren of Cornell and Fisher of Yale) feel that the single dimension, the sum of bank deposits and currency, is controlling; and that of these two the currency is the more important, since it regulates the quantity of bank credit. Without burrowing any deeper in the straw and dust of monetary theory, these men believe that business and prices can be controlled—not approximately, but precisely—by regulating the currency. It is a faith shared by Major Lawrence L. B. Angas, whose recent pamphlet on "The Coming American Boom" has created a mild sensation on this side of the water. The belief that changes in the supply of money can regulate prices and business is the premise of the inflationist groups in this country. The current failure of business to follow the recovery road has strengthened the hands of the inflationists.

A group of industrialists known as the Committee of the Nation, who are in a position to profit from a rise in commodity prices, have spent enormous sums to promote a public sentiment in favor of experimental inflation. On September 8, Professor Fisher, serving as the dignified emissary of this group, presented a petition to the President to raise the price of gold from \$35 to \$41.34 an ounce. This would clip the old gold dollar exactly in half, double the number of dollars in our primary money, and produce the much desired and elusive recovery in business. At least so the petitioners aver.

### Morgenthau Performs Prodigies

Where a year ago experimentation was confined to gold, it has today under the terms of the Silver Purchase Act been extended to the white metal. The action in coining the profit on silver purchased before June 14, concealed from the public, and the mobiliza-

tion of silver in the Treasury suggest an intention to repeat with the white metal the play that was thrown for no gain when tried with gold. An industrious Secretary of the Treasury has turned somersaults and performed prodigies of mental agility in moving toward inflation and sound money at the same time. He persuaded the silverites that the Government intended to travel the second mile with them in complying with the Silver Purchase Act. At the same time he smoothed the furrowed brows of the bankers who, it is hoped, will continue to buy government bonds. The picture here is as confused as it has always been, the perspicacity of Major Angas to the contrary notwithstanding. From it, however, emerges a strong probability that the Government will try another experimental inflation play, or possibly a series of them.

### Houdini Turns in His Grave

The second impulse toward inflation comes from an understandable desire of the Treasury to present the most favorable picture of its budget. However commendable socially the vast outlays of the Government might be, the sight of the bills always causes bondholders to shudder. The revaluation of its monetary assets has enabled the Treasury to perform budgetary miracles. According to Mr. Morgenthau, the New Deal has cost the Government only a half billion to date. It is all done with entries. When the Government declared that each ounce of gold in its vaults was henceforth valued at \$35 instead of \$20.67, it made a neat little profit of approximately 2.8 billion dollars. According to the calculations of Senator Thomas, who is somewhat of an expert in such matters, a similar procedure in silver will net another billion. Should *Der Fuehrer* at Washington listen to the wisdom of Professor Fisher and the Committee for the Nation, and raise the value of gold from \$35 to \$41.34, the Treasury will receive another windfall amounting to 1.4 billion dollars.

Only arithmetic limits the further application of this beneficent fiscal practice. The temptation is strong and the will to resist is weak. Every time the value of the precious metals in the Government's vaults is raised the "backing" of our currency and bank credit becomes greater and our monetary system "sounder". The financial die-hards are in a daze. They cannot find the flaws in this trick, at least not the kind of flaws that will permit them to rally a conservative public opinion against the Treasury's legerdemain.

### The Relief Impulse

Finally, there is the relief impulse. This has already knocked into a cocked hat the budgetary aspirations of the President for the fiscal year 1935-36,

and in addition has caused the resignation of the last important conservative in the Administration—Lewis Douglas, Director of the Budget. Relief is not the gift of the New Deal to the inflation outlook. It was present in the closing months of the Hoover administration.

The New Deal, on the other hand, has taken a much more sympathetic attitude toward distress. This strictly human response to the suffering of others has been buttressed by an ingenious line of economic reasoning which demands relief grants far exceeding strictly subsistence proportions. Consumption, it is alleged, is the key to recovery. The country suffers from a surplus of goods and an excess of plant capacity. This has been caused by the failure of capital and management to allow proper returns to labor. The latter has not been granted enough buying power to absorb the product of its own efforts. Stupid capitalists have grasped more than their fair share of the national income. By thus placing consumption in a strait-jacket they have encompassed their own downfall. To start aright it is necessary to subsidize consumption.

Hence liberal relief has not alone the sanction of compassion but that of recovery. Donald Richberg, speaking for the Administration, predicted five million families on relief rolls during February of the coming winter. This will involve a monthly outlay of approximately 200 million dollars. No less an authority than John Maynard Keynes has bestowed his blessing upon this impending expansion of the deficit.

Politically impractical to halt, this relief has all the earmarks of a practice which will continue indefinitely. Even in the high state of prosperity enjoyed during 1929, the country had 2.1 million families with an annual income of \$500 or less. With solicitude for these unfortunates sharpened by New Deal discernment, it is not likely that the Government will permit any of the relief beneficiaries to relapse into the state of poverty prevailing in 1929 except over the dead bodies of the three musketeers, Tugwell, Perkins, and Hopkins. "Money for all. Poverty for none. Down with profits—e-r—unfair profits!"

Every man is entitled to a decent living. If he is out of work that is the fault of the system. If relief beneficiaries receive more than farm hands, and more than workers under some of the codes, this is a matter for the code authorities.

To this writer nothing now in view can remove these impulses. Only a recovery in business during the coming months, of proportions not on the horizon today, can check their force.

The form that inflation will take, the extent to which it will go, the havens for capital, these are topics which will be treated in subsequent articles.



By Brown, in the New York Herald Tribune ©

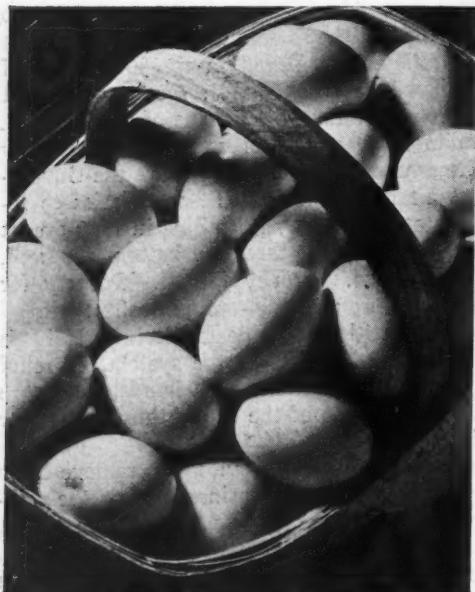
### THE WASHINGTON HOUSING PROBLEM



One of the far-flung arms of Ford, by RUSSELL C. AIKINS

## COMMERCE AND THE CAMERA

★ REPRESENTATIVE of the splendid professional work of American photographic illustrators in the cause of advertising and selling are the examples here reproduced. These photographs were included in the notable exhibits staged by the National Alliance of Art & Industry at the RCA Building, New York, this September.



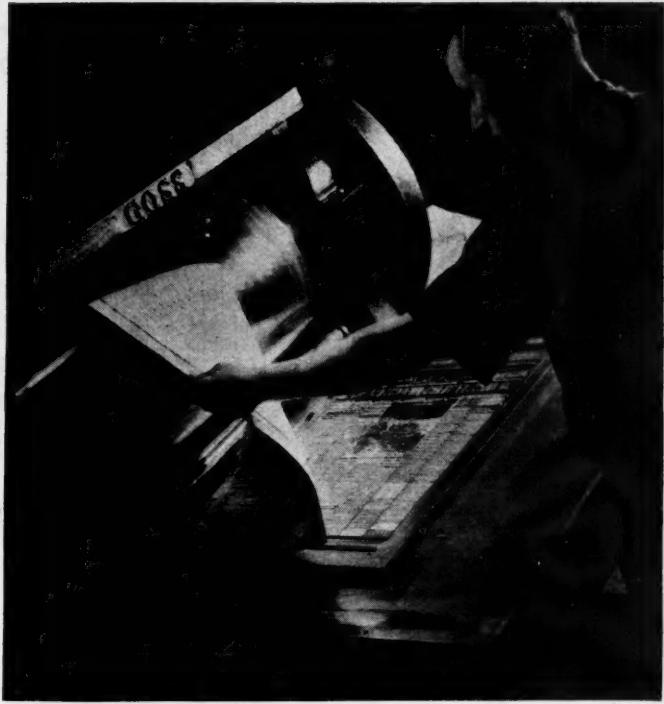
Potential Leghorns, by LEIGH IRWIN



"Scram!" by VALENTINO SARRA

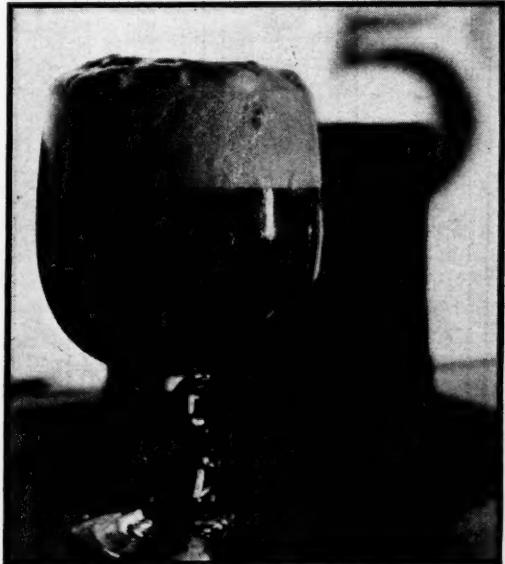


Wind and Smoke, by JAMES N. DOOLITTLE

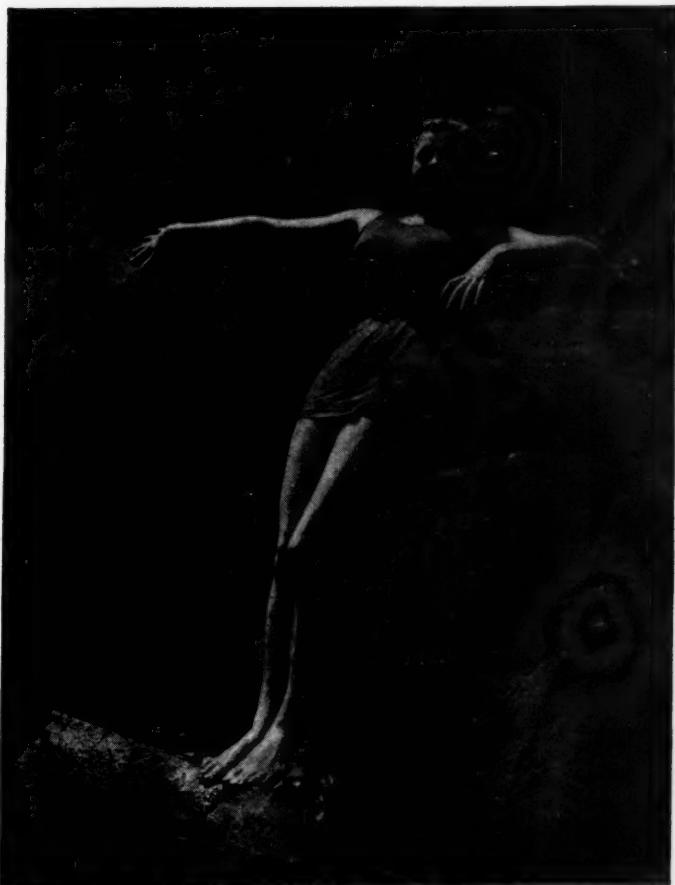


The Matrix, in the making of the Chicago "Tribune," by WILLIAM RITTASE

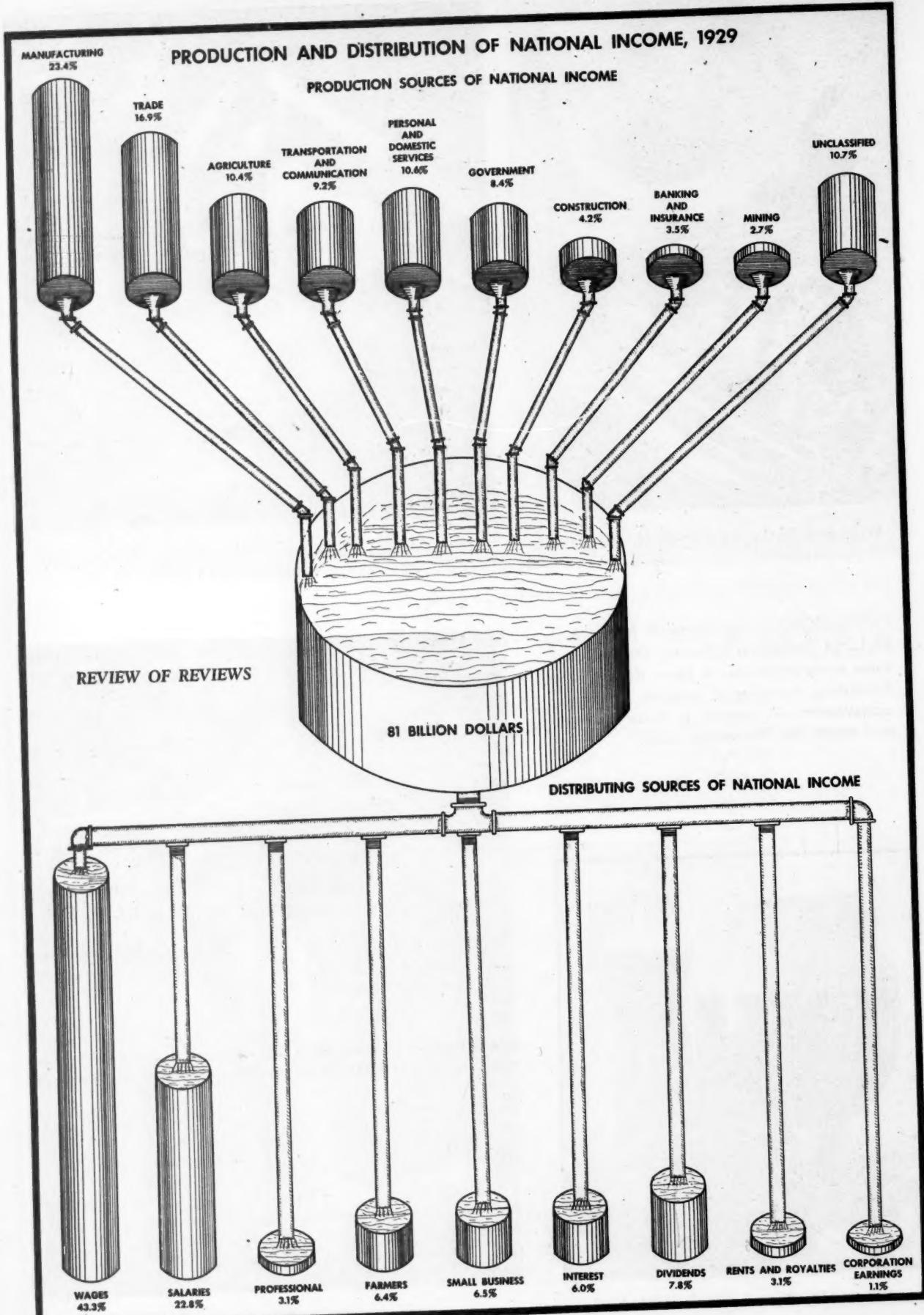
PROFESSIONALS are recruited from the ranks of amateurs. Among the latter some exceptional work is being done and interesting examples of amateur camera achievement will appear in these pages next month (the November issue).



High Hat Beer, by H. I. WILLIAMS



Eleanor Holm, Swimmer, by ANTON BRUEHL



REVIEW OF REVIEWS and WORLD'S WORK

# POVERTY and PLENTY

Government and Labor Flash Red Lights for the Consumer



## AMERICA'S CAPACITY TO CONSUME

1. During first three decades of the 20th Century, output per worker and real income per worker both increased a little less than 40 per cent.
2. The power to consume resulting from power to produce is unequally distributed.

### GEOGRAPHICALLY

Eight states—New York, New Jersey, Pennsylvania, Ohio, Indiana, Illinois, Michigan, and Wisconsin—account for 13 per cent of the area, 42 per cent of the population, and 55 per cent of the income of United States.

Twelve states in the South account for 18 per cent of the area, 21.5 per cent of the population, and 10.9 per cent of the national income.

The income of the Empire State is equal to the income of all the states west of the Mississippi excluding California.

Massachusetts comes first in income per square mile, and Nevada last.

### URBAN AND RURAL

A per capita farm income of \$273 compares with a per capita urban income of \$908.

There are twelve states in the South where the per capita income in 1929 was below \$200—average \$162. This should be compared with a per capita relief distribution of \$294.54 in Nevada during the past year.

### ECONOMIC CLASSES

The combined spending power of 11,653,000 families at the bottom of the scale is approximately equal to the combined spending power of 219,000 families at the top of the scale.

3. As measured by actual output, the nation did not live beyond its means during the decade of the twenties.
4. A general application of the 30-hour week will force a reduction of living standards of approximately 40 per cent as compared with 1929.

the detailed analysis of income distribution employs the figures for 1929, a year which by common consent and unquestioned statistical evidence marks the zenith of our prosperity.

In that year, one family in every five was receiving less than a thousand dollars. In fact, there were more than two million families who had less than \$500 for living costs. This includes farm families for whom allowance was made for the value of homes occupied and food contributed by the farm.

At the other end of the scale we had 513 individuals

**O**N SEPTEMBER 1, 1934, 600,000 textile workers were called out on a general strike. Conspicuous among their demands was the reduction of the working week from 40 to 30 hours without any reduction in pay and the abolition of the "stretch out". The latter refers to the use of automatic machinery which enables a worker to increase his output without any greater strain upon his physical and nervous resources.

In justifying the strike Francis J. Gorman, leader of the workers, cited income statistics for 1929. These showed that 38 individuals in that year received a net taxable income equal to the aggregate wages received by more than 300,000 workers. Thus industrial warfare, opportunely but tragically, dramatizes "America's Capacity to Consume", the second volume in the four which the Brookings Institution is preparing on the fundamentals of American economic society. It treats in cold and detached manner the powder that now blazes in the New Deal conflagration.

### Fair Play in the Division of Income

Labor speaks up and asserts that it has not received its share of the national income. The President, repeatedly portraying a larcenous fraternity of bankers and business leaders, pledges the New Deal to an elimination of corporate turpitude—abolition of the "tooth and claw" practices of American business. At the same time those arch-draftsmen of the new social order, Tugwell and Hopkins, spend a week-end with the President at Hyde Park and prepare the blue-prints of the future which the next Congress will be asked to approve.

Whether the premises upon which the workers waged their warfare, and upon which the political philosophers plan, are valid is—perhaps unwittingly in part—the proposition examined by the Brookings scholars in "America's Capacity to Consume". The evidence of maldistribution revealed in this study will prove shocking to every honest conservative even after certain gratifying qualifications have been made. Bear in mind that the study is based upon the record presented by the first three decades of the twentieth century and that

with incomes exceeding a million dollars. There were 36,000 families who were able to dispose of more than \$75,000 each—the salary of the President. This group of favored family units at the top possessed an aggregate income of 9.8 billion. They constituted one-tenth of one per cent of the population.

Their income may be compared with the aggregate of 10 billion received by 11,653,000 families at the other end of the scale. No one of these families received more than \$1,500 for the year. They account for 42 per cent of the population. Thus, at the top of our income pyramid we have a select group whose average income is equal to that of 324 families at the base. We can stratify the 36.4 million spending units in six distinct layers as follows:

### Economic Strata in the U. S.

<i>Classification</i>	<i>Income Range (Family)</i>	<i>Per cent of Population</i>
I Wealthy	\$25,000 and up	0.6
II Well-to-do	10,000-25,000	1.8
III Comfortable	5,000-10,000	5.9
IV Moderate circumstances	3,000- 5,000	13.7
V Minimum comfort	1,500- 3,000	35.7
VI Subsistence and poverty	Zero to 1,500	40.6

Somewhere in the fourth group—i. e., among the families who are living in moderate circumstances—we can draw a line. Below will be found 24 million families with an income of less than \$4,000, who account for more than 87 per cent of the population. Above this line are about 3.5 million families. These two groups, the 3.5 million above, and the 24 million below, divide equally the total national income.

### Are the Rich Getting Richer?

The picture presented is not a pleasant one or—from the standpoint of political and social tranquillity—entirely salutary. However, it is a still portrait, a statistical cross-section of the national larder at one point of time. The questions which the sincere student will ask are as follows:

Is the concentration in the upper groups the result of inadequate incomes in the lower groups? In other words, are the families in the first two groups there because they have exploited the families in the last two groups?

Granting the maldistribution of income, how does it compare with the earlier years of the period under study? Have the blemishes of capitalism become more pronounced during the first three decades of the twentieth century? Have the rich become richer and the poor poorer, or have those at the bottom profited from the great wealth of those at the top?

On this subject, the authors of "America's Capacity to Consume" should have said either more or less than they did. In discussing the trend in savings, Messrs. Leven, Moulton, and Warburton say, "It appears also that the income was being distributed with *increasing inequality*, particularly in the later years of the period.

... That is to say, in the late twenties, a *larger percentage of the total income was received by the portion of the population having very high incomes than had been the case a decade earlier.*" The italics are ours. In considering this statement, we shall use in part evidence adduced by the Brookings scholars, and in part material from other sources.

### What the Evidence Should Show

Now if the conclusion of increasing inequality in the distribution of the national income is valid, then we would expect to see partial confirmation as follows:

1. A decline in the proportion of the national income which goes to the workers and salaried groups.
2. A decline in the relative numbers of those in the top groups.
3. A decline in the per capita incomes of the lower groups, or an increase in the per capita incomes less rapid than the average for the country as a whole.
4. An increase in per capita incomes of the lower groups less rapid than the increase in per capita production.

### What the Evidence Does Show

In 1900 the workers received 53.2 per cent of the national dividend in the form of wages, salaries, and pensions. In 1929 the figure was 65.1 per cent ("America's Capacity to Consume", p. 158).

For every 100 recipients of incomes in 1917, there were 118 in 1929. For every 100 recipients with incomes in excess of \$5,000 in 1917, there were 212 in 1929. (A. C. to C., p. 102). Using two years in which the cost of living was approximately the same the authors tell us that 1.6 per cent of all income receiving units in 1919 were in the \$5,000 class or above. In 1929 this proportion had increased in 2.1 per cent (*Ibid*, p. 103). In other words there had been in this period a steady graduation from lower to upper income groups.

The average per capita increase in real income—i. e., income which makes allowance for changes in the cost of living—in the period 1900-1929 was 38 per cent. (*Ibid*, p. 17). This average includes all six of our income strata. Dr. Paul H. Douglas has made a careful study of real wages in manufacturing for the period 1899-1926. The National Industrial Conference Board has an equally competent study covering the years 1914-1930. If we reduce these two studies to a common base we find a rise in the real income of the wage earner in the period 1900-1929 of 38 per cent, exactly equal to the average per capita rise for the nation as a whole. It may be observed parenthetically that since this rise in income was accompanied by a decline in working hours of 13 per cent, the real return for each hour's labor of the worker in our manufacturing industries increased 59 per cent during this period.

Comparing the increase of 38 per cent in real income with productivity we quote the language of the Brookings authors: ". . . during the great era of technological advancement between 1900 and 1929, per capita production in the United States increased by less than 40 per cent."

To this reviewer it seems a reasonable conclusion

1. That the last thirty years of capitalism do not show the rich getting richer and the poor poorer.
2. That the worker has shared generously in the greater product made possible by technological improvements.
3. That though poverty still existed in the midst of plenty at the height of the post-war boom, the "plenty" was not responsible for the "poverty". A corollary of this is that the destruction of the "plenty" now under way will not abolish the "poverty". (*Cont'd on page 15*)

# What Is FASCISM?

By ROGER SHAW



THE FASCIST SHADOW OF WAR OVER EUROPE

From *Izvestia* (Moscow)

Gr. Zinov'ev.

THE YEAR 1934 has provided fascism with extraordinary publicity, beginning in February. At that time French fascists helped to drive a French liberal government from office by violent Paris street-fighting; while Austrian fascists attacked the socialist city of Vienna in a brief but bloody civil war which horrified public opinion in the western world. At the end of June came a series of swift coups by which the Hitler fascists of Germany decimated the Roehm fascists of that country, as Nazis perished before the guns of Nazi firing squads.

Later in July came the death of the Austrian Dollfuss, leader of the Heimwehr fascists, at the hands of Nazi fascists who hated him and his clerical regime. Meanwhile Mosley fascists stormed and bellowed in England; while so-called fascists of Japan rattled honorable sabres, Rumanian fascists assassinated their premier, and Bulgarian fascists took control of the Bulgarian state. Polish and Turkish fascists shouted their anti-semitism, and a startled world began to take note.

Fascism has become one of the most widely used political terms of the post-war twentieth century, and in its varied forms and interpretations its discussion occupies columns of space daily. Movements of every conceivable kind are dubbed "fascist" with a fine recklessness, sometimes in terms of praise, and on other occasions with unlimited abuse. But just what fascism is, where this phenomenon really begins and ends, is a matter for serious and analytical consideration; for the fascist system is an approximately exact one in modern political practice.

To the hidebound communist, a fascist is anyone in sympathy with capitalistic economics, and fascism is an "insidious veneer" behind which "doomed" capitalism is making its last despairing stand against the inroads of Karl Marx. Fascism, reds believe, is a congeries of vested interests, big-business, and private property, upheld by machine-guns, hand-grenades, and brute force in general. To the conservative uninitiated, fascism is a negative term which denotes organized opposition to the fell inroads of communism—in other words, *anti-communism* as in the strike-maddened Italy of 1922. To many others, fascism is simply a form of dictatorship under a professional strong-man of the Mussolini-Hitler-Starhemberg mentality.

There are elements of truth in all of these defini-

tions, but none of them tells the whole story of a totalitarian fascist state in operation.

Five elements, at least, are necessary for the creation of a fascist nation in the more exact sense of the word. These are: (1) a one-party dictatorship under a self-admitted superman; (2) a corporative economic system which regiments capital and labor through occupational representation; (3) an aggressive foreign policy; (4) a philosophical traditionalism based on antiquity, (5) a hard-boiled repudiation of sentimental humanitarianism. In all these respects, fascism differs widely from Marxian communism, and also from Jeffersonian democracy as practised in England, France, and the United States.

Napoleon Bonaparte probably was the first fascist dictator, a man-on-horseback from whom Hitler and Mussolini have derived much of their political ammunition. Like Bonaparte, the modern fascist dictators believe in a progressive absolutism with a minimum of parliamentary antics and a maximum of secret-police activity. Dramatic stage-tricks play an important part in their rather flamboyant methods, and organized opposition to the dictatorial policies is not permitted.

Free speech, a free press, and freedom of organization are not to be tolerated; and the natural rights of man, as formulated by eighteenth-century thinkers like Rousseau, are declared to be unnatural and quite passé. Modern dictators must be orators, athletes, flyers, good-fellows, art-lovers, baby-kissers, and "hard guys"—in short, all things to all men. Above all, they must be self-made in the democratic sense. They must lead spartan lives, and wear black, brown, green, or pink shirts, depending upon the local geography. "Wall Street fascists will doubtless sprout gold shirts," a cynical investor observed to the writer.

## Fascist Economics

There is nothing novel about the fascist dictator, whose counterpart has been found in every Latin American republic from the Rio Grande to Patagonia. Dictators date back to the Renaissance, and to Roman and Athenian politics. But fascism has made a unique contribution to national economics, and without this feature a dictatorial state is *not* fascist. It is the principle of occupational representation, which supplants representation by political parties or territorial locali-

ties. Called the corporative or totalitarian state, it incorporates all occupations and industries in a confederation of trade guilds under strict governmental control. There are workers' guilds and employers' guilds in every industry, and all industries are represented collectively in some sort of national council.

Strikes and lockouts are forbidden under economic fascism, and the state furnishes compulsory arbitration for labor disputes. Here is a whole-hearted attempt to combat the Marxian class-struggle through a rigid system of class-collaboration. Capital and labor serve as horses attached to the heavy chariot of state, with the dictator acting as charioteer and lashing both steeds indiscriminately. Hours and wages are carefully regulated, there is a plentitude of workers' protective insurance, and the employer is in reality a supervised servant of the state. But private property and the profit motive are retained. In other words, economic fascism (as practised in Italy, Germany, or Austria) is a compromise between capitalism and communism.

Poland, Jugoslavia, Turkey, and Japan are often characterized as fascist, but none of them is equipped with the fascist economic organization although they all are under dictatorships. On the other hand, the American N.I.R.A. and its code system are distinctively fascist, with the important loophole that American labor is still permitted to strike—which makes for serious inefficiency under a planned fascist economy. The United States today is in the unusual position of a country which is politically democratic, and economically semi-fascist. But since, by American standards, fascist political dictatorship is highly undesirable, while fascist economic dictatorship is a putative step forward, the New Deal combination may perhaps be perfected into a truly workable system. The new Brazilian constitution of 1934 has certain fascist economic features, as have Hungary, Bulgaria, Estonia, and Ecuador.

### Theories in Practice

Fascist dictatorships indulge freely in polemic speeches and journalistic fulminations against other countries. Militarism is a fascist feature, and territorial expansion is generally an admitted fascist aim. Germany sighs for Austria; while Italy, which blocks this German aspiration, clamors for French North Africa and British Malta. Fascist education is of a bellicose sort, both as regards books and bombs; and birth-control is stringently opposed lest it curtail the military forces of the future. More babies are needed for more soldiers, to acquire more land for an expanding population—a vicious circle!

Greater "preparedness", naval, military, or aerial, is a fascist demand that is exceedingly agreeable to the international armament industry, which has shown itself consistently interested in the promotion of Italian, German, French, and English fascism. Furthermore, it is considered good policy to divert the working-class of any given fascist state from hatred of their employers by encouraging them to hate foreigners or Jews. Marx would tell the Italian proletarian to oppose the Italian bourgeois, but Mussolini tells him to oppose "decadent" France or "barbarous" Jugoslavia. In this connection, it is well to remember that the "villainous" Robespierre's reign of terror, which was domestic, accounted for perhaps 20,000 lives; while the foreign

wars of the "heroic" Napoleon killed off several million people of all the European nations.

Fascism is traditional in its philosophical outlook. The Italian regime looks back to the puritanical virtues of Cato and his republican Rome; while the Nazis interest themselves in Nordic tribalism, and in a neopaganism based in part on such hoary Nordic divinities as Thor and Wotan. In America the Ku Klux Klan (which is essentially fascist) has always harped on the primitive values of our colonial heritage, Protestant, white, and decorous; while Austrian fascism is said to have barred the *Saturday Evening Post* and the *American Magazine* for their putative frivolity and original-sin. Lipstick is in ill-repute in the Third Reich, and storm troopers can wreck any given night-club in record time. Fascists think in terms of a race sweeping on forever, generation after generation. Fascist teaching of history stresses traditional glory, not careful economic interpretation. Even the fascist salute, Roman in origin, is close to twenty centuries old.

Middle-class humanitarianism was the keynote of the French revolution in 1789. It was the keynote of the American revolution of 1776. Both of these reformatory risings were based on the sentimental teachings of Rousseau, who believed heartily in liberty, natural rights, and the brotherhood of man. Whatever their methods, the objectives of the eighteenth-century revolutionists were extremely high-minded and resulted in a great deal of good. Proletarian humanitarianism according to Marx was the Russian byword of 1917, and it too was sentimental and ameliorative in its avowed objectives.

But fascism considers humanitarian ideals as "soft" and "sloppy". It is distinctly Nietzschean in its advocacy of force, enlightened brutality, and rule by supermen who pride themselves on being two-fisted, red-blooded, and hard-boiled, according to their own speeches and philosophical doctrines. Mussolini has expressly consigned the principles of liberty, equality, and fraternity to the cemetery of history; while both Il Duce and Der Fuehrer have turned against the Continental freemasons who long served as guardians of humanitarian idealism in Europe and Latin America. Force is exalted by fascists not as a means to an end, but as an end in itself.

In the democratic state, government exists only to serve the individual as a passive policeman. Rousseau, Jefferson, and the English Manchester School would be in perfect agreement on this important point. In a communist state, government exists to serve collectively that great mass of individuals known as the proletariat. There is no exaltation of the government, as such. But in a fascist state there exists a carefully nurtured cult of state-worship, a mystical veneration akin to that which patriotic Japanese feel for their semi-divine emperor. This ultra-nationalism, when its effect upon world politics is noted, inclines one to agree with Dr. Johnson's famous definition of patriotism.

Fascism, like gangsterism, has drawn extensively upon a background of direct action and brawn-over-brain dating from that most unfortunate of all unfortunate years—1914. Essentially nationalistic, in its rapid spread it has become paradoxically international; whereas communism, which is avowedly international, has remained nationally "Russian". In its only constructive phase, economics, fascism may have provided the ultimate answer to Karl Marx. Time will tell.

## CARTOONS OF THE MONTH



By Kirby, in the New York *World-Telegram*  
THE BEST THEY HAVE TO OFFER.



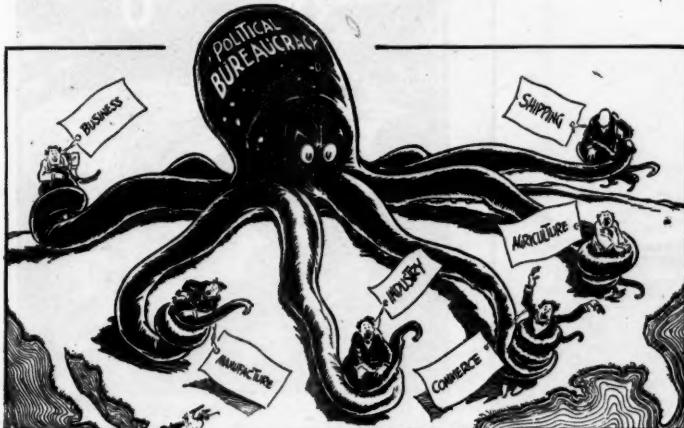
By Hutton, in the Philadelphia *Inquirer*  
THE PUPIL GETS THE HANG OF IT



By Carlisle, in the Des Moines Register  
A PERTINENT QUESTION



By Warren, in the Buffalo *Evening News*  
IT'S DEVELOPING INTO A REAL JOB



By Smith, in the San Francisco *Examiner*  
COVERETH THE LAND LIKE A PLAGUE



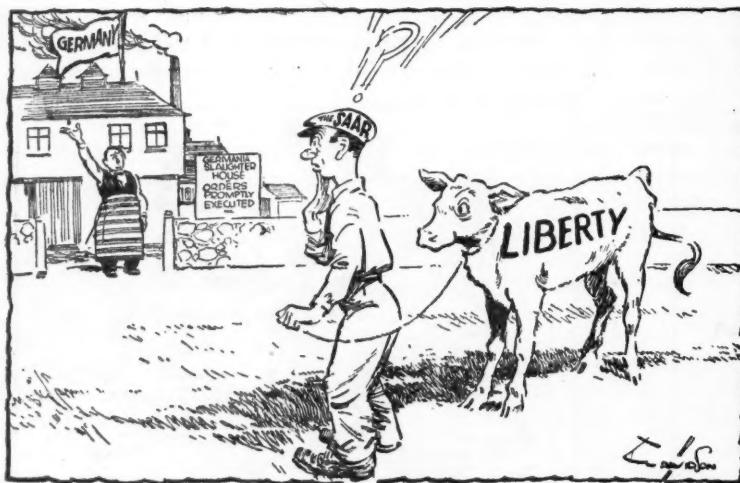
By Chase, in the New Orleans *Item*  
"HEADS I WIN, TAILS YOU LOSE"



From *Guerin Meschino* (Milan, Italy)  
"HEROIC" Italy defends prostrate Fraulein Austria from Hitler.



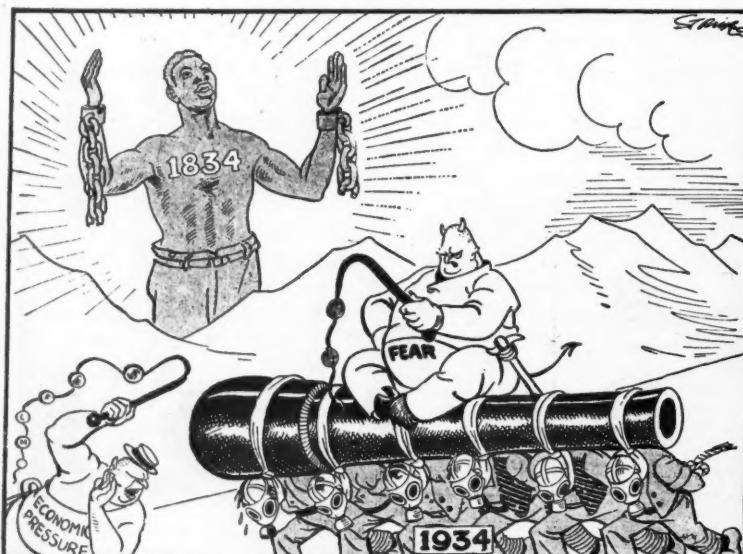
From the *Bulletin* (Glasgow, Scotland)  
MIGHTY ADOLF succeeds Paul von Hindenburg as German President!



From the *Evening Times* (Glasgow, Scotland)  
HITLER, the butcher, welcomes the prodigal Saarlander, and his doomed "fatted-calf."



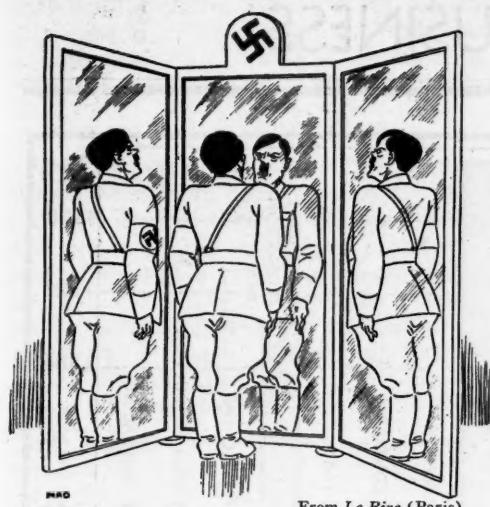
From *Il Travaso* (Rome)  
MARS: "The Balkans and the Far East are my bloodiest friends!"



THE PROGRESS OF CIVILIZATION  
1934: A century after the British colonies freed their slaves!

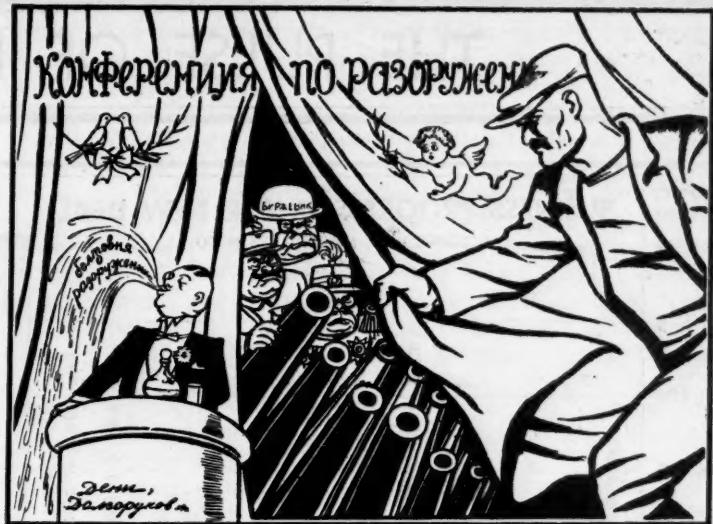


HEAVY ATMOSPHERE  
The lineup in Central Europe, with Austria as no-man's land.



From *Le Rire* (Paris)

Chancellor-President-Dictator Hitler holds a packed cabinet meeting.



From *Pravda* (Moscow)

LABOR unveils the tricky "peace" conferences of "peaceful" Geneva.



From *Vetchernia* (Moscow)

WAR enriches the bosses; war dis-members the wretched rank and file.



From *Sempre Fixe* (Lisbon, Portugal)

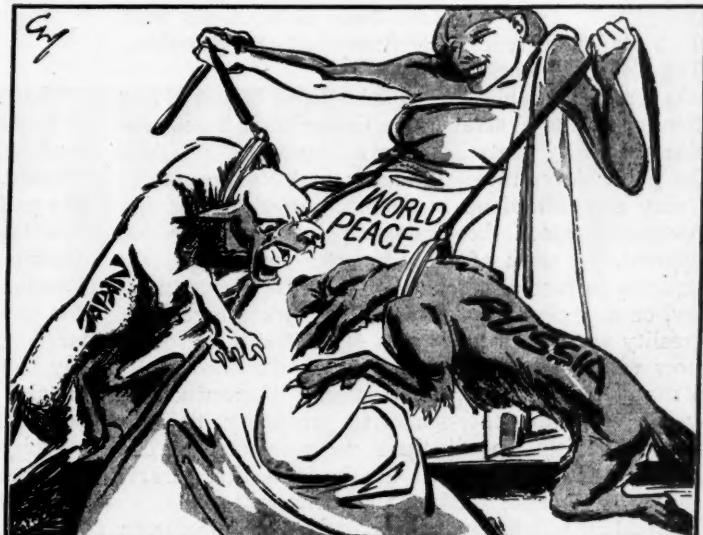
PORTRAIT of a prominent European dictatorial-deathshead.



From *Barenspiegel* (Berne, Switzerland)

#### GERMAN ELECTIONS

The German voter goes to the ballot box—and votes.

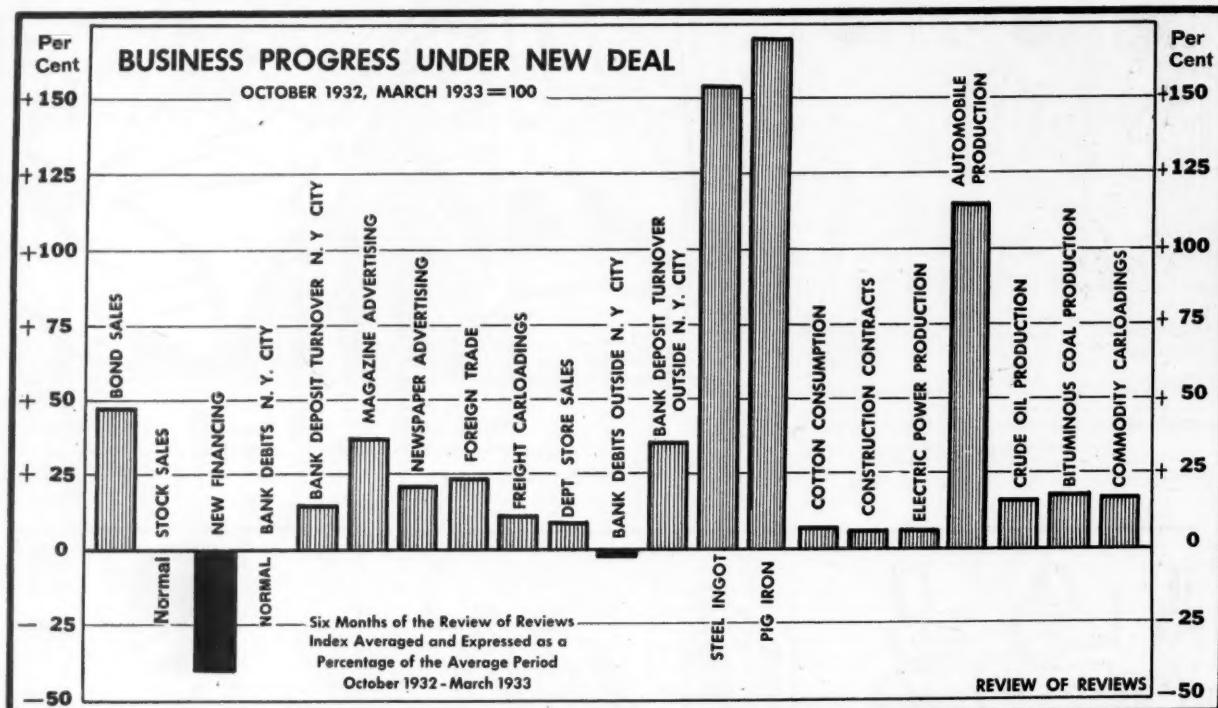


From the *Western Mail* (Cardiff, Wales)

#### STRAINING AT THE LEASH

Peace has difficulty in restraining her wardogs—Japan and Russia.

# THE PULSE OF BUSINESS



## A Coming Boom, or More Bunk?

**B**USINESS PROFITS will be tripled. Common-stock prices may reach and exceed their 1929 peaks. These high levels of business prosperity and speculative bliss may be maintained indefinitely, provided the Government shows the proper acumen in the management of the currency. Such is the honey with which Major Lawrence L. B. Angas baits his pamphlet, "The Coming American Boom."

As a result a publication which should command the attention of the Federal Trade Commission if sold for more than fifty cents becomes a best seller at \$1.50. The public loves these paradisiac details, particularly if they are dressed up in esoteric patter so that the spoofing to which the reader exposes himself is not apparent. A work of this character serves precisely the same purpose as a good novel, a tense murder mystery, or a glorious jag. They all provide refuge from a reality which is more or less distasteful. To speculators who await margin calls, to business men about to succumb to red ink, to managements overwhelmed by high-wage-and-labor-sponsored prosperity, to New Deal extremists, to all these we recommend "The Coming American Boom." As business literature it ranks with Donald Richberg's seven reports.

The \$1.50 which goes in the first instance to Simon and Shuster is spent in part for paper, labor, and overhead—thus passing into beneficent domestic circulation, increasing consumption, and providing jobs. The bal-

ance which goes to England will strengthen the pound and enable England to buy more American cotton. No matter how you look at it, the publication of "The Coming American Boom" is a fine thing. The only difficulty, one which we raised in the *Weekly Message* of August 23, is the title. Do the facts warrant it?

### Found, An Underlying Theme

The major prophecy of a stock market boom by 1938, corresponding to that of the ebullient twenties, must be set down as the effusion of a seer rather than the cold analysis of reasonable investment possibilities. The pamphlet is remarkable for its sweet praise of the New Deal and admiration of the President. "To many observers the Roosevelt experiment appears to lack a cohesive and easily grasped theme. This is possibly due to the fact that the motif of his reforms is monetary . . . On the surface, to an observer who sees from day to day only the disjointed and apparently unpredictable actions of the Administration, the whole experiment is apt to appear as the muddled meddling of a happy-go-lucky opportunist, whose disturbing though well-meant efforts are proving more a hindrance than a help to recovery."

In the judgment of the English economist "the underlying theme . . . is clear, consistent, and fundamentally sound." This theme is based upon the following proposition: "Can, in fact, an artificially created

redundancy of spending power in the pockets and passbooks of the public terminate the present industrial stagnation?" "Such a policy is, I am convinced, the consistent underlying theme of the Roosevelt Recovery Plan."

### A Double Task

The task of Major Angas from that point on is twofold: first to demonstrate that the Administration does have the "consistent underlying theme" which he attributes to it, and secondly to prove that this is the specific which will restore prosperity and bring back the days when U. S. Steel will be worth \$260. It is not an easy matter to prove that the New Deal has a consistent, continuous basic philosophy to which all its actions are reconciled. Bluntly and briefly stated, the Angas interpretation holds that the Administration hopes to bring back prosperity through inflation, and that it will succeed. The consistency and profundity of the Administration's design of recovery, even in the Englishman's demonstration, suffer at two points. At the end of a very useful discussion of confidence he states that the President's plan to restore it "had to be a mixed one" including:

### Deep Strategy Imposed by Congress

For capitalists, "some confidence in American money and above all bond values—which was carried out in the main by providing the currency with a huge and convincing gold reserve; and simultaneously to foster business confidence by a policy of credit inflation in order to secure higher prices." To us this looks like an offer of sound money to the conservatives who will be expected to buy bonds, and of unsound money to the speculative elements to induce them to take risks. It is difficult to see either the consistency or ethics of the procedure, although the facts are accurately described by Major Angas.

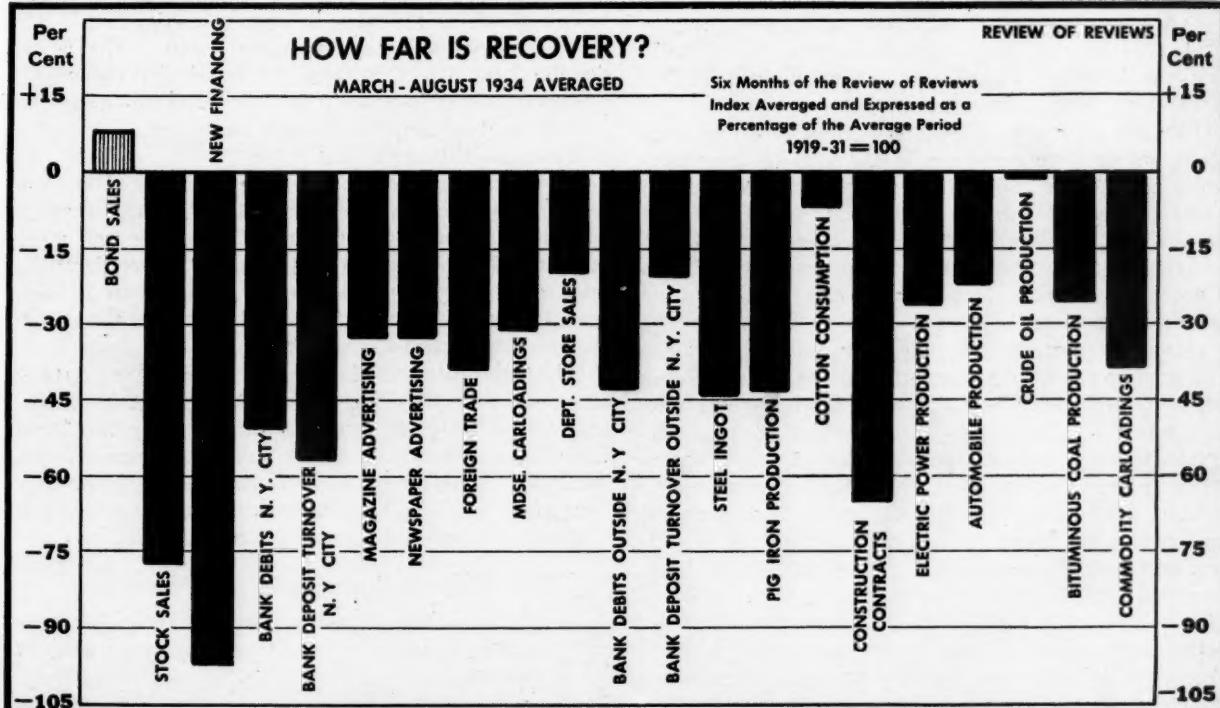
In developing the profundity of the Executive scheme the Englishman describes the "Psychology Strategy" as follows: "His first psychological maneuver was to obtain powers from Congress to devalue the gold dollar by 50 per cent, and to spend 3,000 million dollars of inflationary Government money on public works and relief."

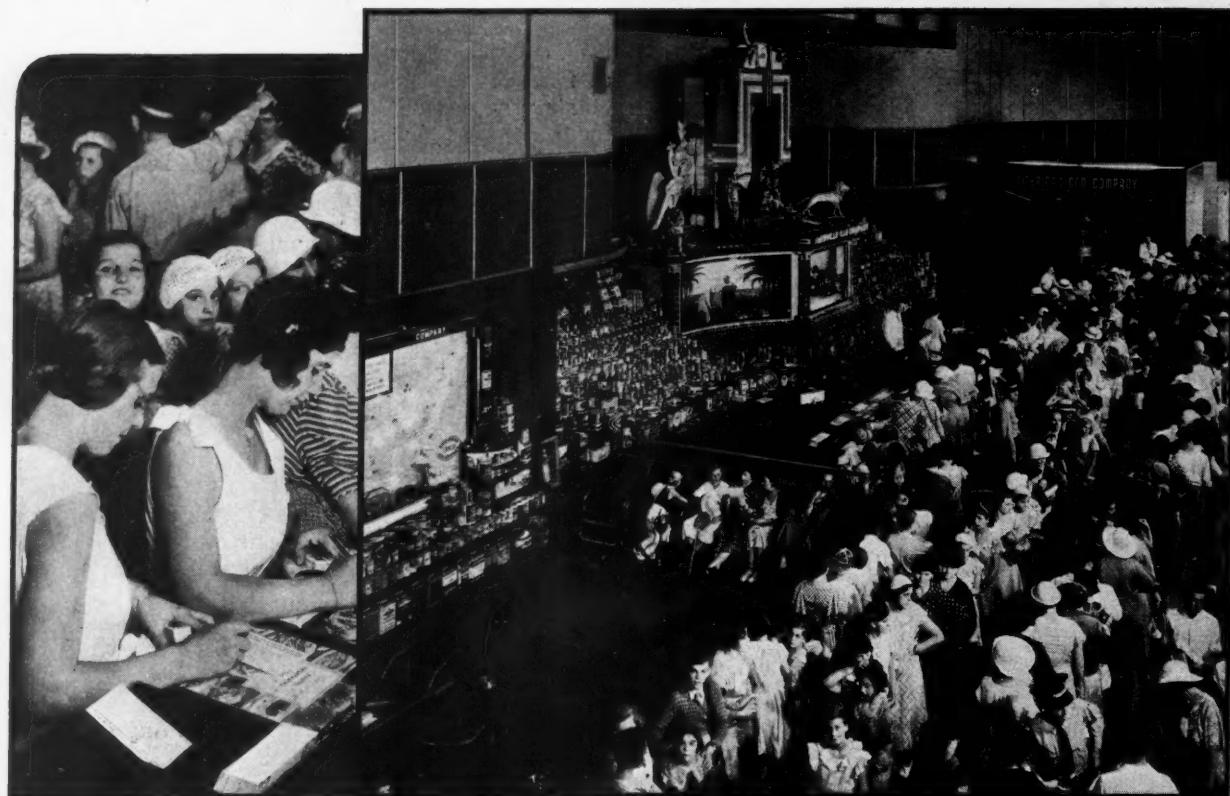
The power to reduce the gold content of the dollar and issue three billion of greenbacks was a part of the Thomas amendment to the Agricultural Adjustment Act, signed by the President in May 12, 1933. These were ideas of the inflationist groups in Congress and not of the President. He permitted their attachment to the AAA bill only on condition that they be optional. Thus the heart of that "consistent underlying theme" was forced upon the President by the inflation group in order to avoid a more immediate and literal application of the "theme".

Another matter to which Washington newspaper men can attest is that the President, after raising gold to \$35 an ounce was greatly disappointed in the efficacy of the "theme" and admitted as much in one of his press conferences. The reappearance of inflation marks the exigent need for devices to keep prosperity from retreating back of its well-known corner. This topic is considered more fully in another article in this issue (see page 38). While the discovery of Major Angas that the Administration does have a basic philosophy is a graceful compliment, to careful observers of the American scene it has no other title to attention.

### Money the Key to Business Cycle

The second task of Major Angas is to prove that monetary factors are the exclusive causes of fluctuations in business and that properly "managed" they can lift the country out of depression and prevent the recurrence of economic malaise in the future. The imputation of exclusive causal importance to (*Continued on page 69*)





TIN-CAN ALLEY was transformed into "Container Avenue."

## ★ THE TIN CAN Makes Five Million New Friends at A Century of Progress International Exposition

**T**IN CANS literally "stole the show" this summer in the General Exhibits Building at Chicago's great 1934 World's Fair. By an overwhelming public vote, the American Can Company's exhibit was elected the most popular demonstration.

Over one million people stood patiently in line from twenty minutes to one hour and a half for an opportunity to "make a can"; while more than three million others, by actual comptometer count, milled through the spacious pavilion. Through the alchemy of an ingenious exhibit, "tin-can alley" was transformed into "Container Avenue" and became the public's most popular promenade!

This is the more astonishing when one considers the high quality of exhibits competing in the same building for the public's time and attention. Here, for example, only a few feet away was an engrossing story of diamonds, illustrated by a diamond mine in actual operation and a rare collection of world-famous gems worth millions of dollars, including the great blue diamond once owned by Emperor Maximilian and his mad consort, and the canary-colored Tiffany diamond, the largest ever found.

On a revolving stage nearby, lovely manikins displayed exquisite silver fox furs and wraps. Within a few steps could be found marionette shows, mechanical robots, sampling counters, assembly demonstrations

## A MIRACLE

and a wide variety of other worth-while exhibits.

Yet, the ubiquitous tin can was the undisputed leader of this enterprising merchandising parade. The "Cinderella of the Alley", in spite of this brilliant entourage, pulled greater crowds—and held them longer—than the next three most popular exhibits combined!

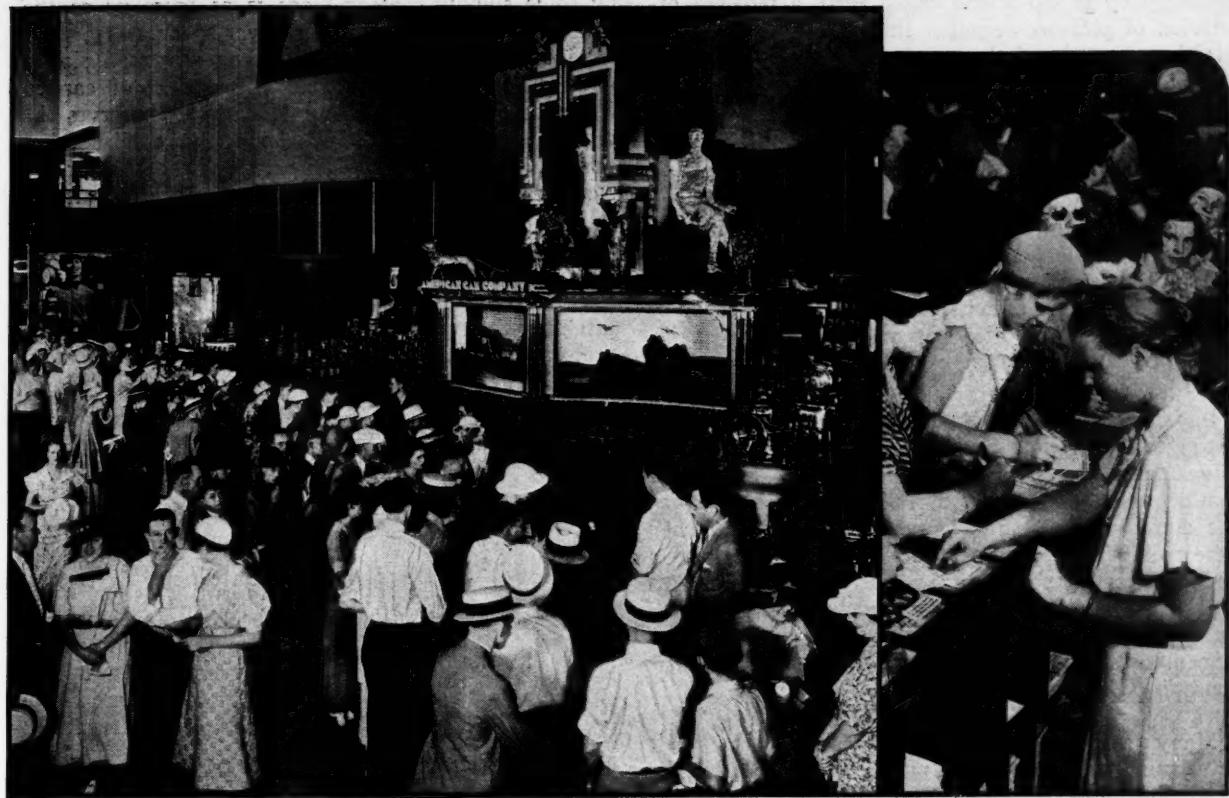
How was it done?

By strict adherence to a simple principle of modern merchandising, that, properly understood and applied, will move mountains. A principle that more and more merchandisers are using with telling effect in their businesses every day. Essentially, it is to work back from the customer toward the product, rather than from the product toward the customer.

When one discovers how to serve people what they want, the way they want it—the selling problem disappears! Then every "sale" becomes a "purchase" and the primary worry is filling consumer-demand. So, with the American Can Exhibit, the consumer was recognized as "King" and everything was prepared with his point of view and idiosyncrasies in mind.

### The "Princess" Had Gifts for Everyone

First of all,—a machine in motion. (Who has ever seen even a common steam-shovel operating without its interested audience?) Only three weeks remained before the beginning of the Exposition when the de-



HUNDREDS OF THOUSANDS of women took pamphlets, or signed their names.

## IN CANS

By  
J. PARKER VAN ZANDT

cision was reached to build and install a special closing machine. Yet, when the gates of the Fair were flung open on May 26th, there it was, resplendent in chromium-plated finish. At 10:01 that morning "The Princess", as the mechanics had nicknamed it, started delivering her brood of souvenir savings banks and never during the twelve working hours of each of the succeeding 159 days of the Fair did she once fail in her appointed task.

The line that formed the first morning along the whole façade of the American Can area, doubling back on itself and extending far out into the adjoining aisles, became the most characteristic sight of the Exhibit. On peak days it grew to alarming proportions, congesting the entire pavilion with its five-fold length and compelling the assistance of extra Exposition guards to direct its orderly unraveling. Imagine standing in line an hour and a half for a tin can!

Not one in ten who waited patiently for their turn to push the button that rolled out a toy savings bank, were children. Two-thirds were women—the homemakers who are the acknowledged purchasing agents for America's myriad homes. The balance were men. One white-haired priest who was noticed several times in line confessed to having been back for a bank on ten different occasions; every afternoon he could get away he took his turn patiently to get another bank for the

poor of his parish. The exhibit officials loaded him down with an armful of souvenir banks and the kindly priest went away beaming with gratitude.

They came from everywhere, those million candidates for Canco's queue, from the Argentine to the Philippines and from all the forty-eight States. As they filed slowly past the exhibit area, the carefully instructed attendants did not fail to capitalize on the occasion thus presented to tell the truly fascinating story of the canning industry.

"Modern merchandising", a famous executive has said, "must begin where your customer is, not where you are. The surest way of getting him where you are is to go where he is and come back to it with him". Here was an educational opportunity made to order for canny merchandisers!

"Now I know where all the tin plate goes", remarked a tin-plate worker from Youngstown, much impressed by the more than seven thousand brilliantly lithographed cans and other metal containers that formed the background of the exhibit. "They must have everything here that's made of tin—except Ford bodies," said another visitor.

The majority showed an eager interest in searching out, among the thousands of containers on display, the names of products familiar to them. It became a game to see how many one could identify. Each additional

discovery of an old friend called forth a renewed expression of pleasure—another link forged between the already accepted and the new.

### Tin Cans for Almost Everything

Most visitors were amazed at the immensity of the container industry, never having realized the astonishing multitude and diversity of canned products—from fruits and vegetables, shell-fish and soup, to tennis balls and tooth powders, cutex, cigarettes and shoe polish, motor oils, paints, razor blades, talcum powder, laxatives, and hundreds of surprising adaptations. Made of the same metal, they also saw match-boxes, lard pails, display racks, trays, ash cans, advertising signs, orchard heaters and scores of other novelties.

In fact, although the American Can Company does not pack any product itself, there is scarcely an aspect of our daily lives to which it does not contribute added comfort and satisfaction. "Tin cans can take it!", was one admiring comment. Three ladies explained they were using fruit and vegetable cans for potted plants and wished to know if it was possible to buy cans appropriately lithographed for this purpose. One visitor from South America said that but for the tin can "the majority of people wouldn't have roofs on their houses". What would civilization do without the tin can?

Many people showed a special interest in the exhibit of vacuum-packed coffee, a process developed by the American Can Company. "How do you keep the coffee in the can when you remove the air?" several asked. They learned that no matter how good a blend of coffee one may use, it quickly loses its fresh, aromatic flavor after having been roasted and ground, unless it is vacuum-packed. Americans spend \$300,000,000 a year for coffee—and they are canny enough to want their full money's worth of fresh, delicious beverage.

"So you are the guys who put over the idea of oil-cans. It's a good idea, too!", was the comment of many motorists on the display of refinery-sealed motor oils, in dirt-proof, tamper-proof cans, which assure to every motorist no matter where he stops along the road for supplies, the full measure of exactly the type and grade of oil he requires. Paints came in for much comment for evidently, under the stimulus of the National Housing Act, many are giving serious thought to putting a new dress on the old homestead.

### Tin Cans Spoil No Food!

To the women in line—and they were in the great majority—canned foods was the all-absorbing subject. The questions they asked! It would be hard to believe, without this evidence from such an overwhelming cross-section of the American Consumer, that so much misinformation, so many superstitions and strange ideas still linger about canned foods.

Buying food for thirty million American homes is big business, and it is essentially a woman's job. "Is it dangerous to leave food in an open can?" they asked anxiously and were relieved to learn that there is nothing in the modern can that causes "ptomaine poisoning", or makes food spoil any more quickly than it would normally in an open glass, or earthenware, or enamel container. Surprising how Hydra-headed is this hoary, old misconception! Tin never imparts any flavor to food and the slight discoloration left within the can

by some sulphur-content foods is as harmless as the stain a-cooked egg leaves on a silver spoon.

So these women learned, as they advanced slowly down Cancos queue, how the preheating of canned foods, cooked in the absence of oxygen, conserves the vitamin contents, especially the easily, oxidized, important Vitamin C; how the cooking process after the can is sealed preserves more of the natural flavor and that we "taste" with the nose as well as the tongue. The tongue is a crude measurer of taste, distinguishing only between sweet and bitter, acid or salt. We relish the full, rich flavor of foods mostly through the odor sensations, preserved through scientific, modern canning processes. For the canner does not have to pick before maturity and allow for ripening during shipment. He can wait until the exact moment when the food has reached its maximum vitamin content and flavor; and only a few hours elapse between the time it is harvested—and it has been cooked, hermetically sealed and protected thenceforth from careless or unsanitary handling.

### The Ideal Food Container

There is romance, indeed, in the development of the tin can since the day, over one hundred and twenty years ago when foods were first preserved in bottles closed with corks. At that time it seemed impossible ever to find a material that could combine the almost contradictory requirements of an ideal food container.

How could it be light in weight—yet strong, able to withstand rough handling and long journeys without damage? Inexpensive—yet easily filled, and sealed, both rapidly and faultlessly—and remain air-tight indefinitely? It must be adaptable to products of all sizes and shapes. It must conduct heat rapidly, so that the contents may be quickly heated and cooled. The material must not affect, in the slightest degree, the wholesomeness or flavor of the food. And it must be cheap enough to make the canning of foods an economical method of preservation.

Yet the modern tin can fully meets all these difficult requirements! A "steel container with a pure tin coating" could be a more accurate description, for only one and a half per cent., by weight, of a tin can is tin—the rest is steel. Sixteen operations, each on a special machine, are required to make a can; and the ends and bodies are sealed together in an air-tight joint without the use of solder.

No housewife likes to set a poor table just to be called thrifty. Canned foods not only eliminate her less pleasant kitchen tasks, but they bring to the humblest home a world-wide choice of delicacies formerly accessible only to the rich. "I never saw such a Company", women in the line exclaimed. "All they want to do is to answer your questions and give you worth-while souvenirs. At most exhibits people 'bark' at you and give you nothing". "I wish I had all those cans in my pantry", said others, looking longingly at the canned food display.

There can be no doubt that the American housewife of today is open-minded, eager and anxious to know the honest facts about the products she serves in her home. Hundreds of thousands of women took pamphlets, or signed their name and address on postcards asking that detailed information be sent them on one or more of the many points of interest to them, disclosed in their insistent questions. Here is an edu-

tional challenge to the entire food industry, revealed in the intensely interesting "Laboratory on the Average Citizen" at this outstanding exhibit.

### The Big Moment: Making Your Own Can

As the candidates for a souvenir can drew near the machine which capped the climax of their quest, their interest in every other detail completely disappeared. The tinkle of the cans rolling down the shoot to the lucky recipients ahead intrigued them, while their eyes were riveted on the smoothly functioning mechanism of the sealing machine towering above them. Its clock-like precision and seeming simplicity were recognized as the badge and symbol of years of antecedent efforts and inventive skill. "The more you watch it, the less you see"! one old fellow complained.

"Machines like this", read a sign carefully placed so as to fall in their line of vision, "are being used in thousands of cannery factories, sealing canned foods". If that sign had been moved only three feet to one side, probably not one in ten would have seen it, so great was their absorption on their goal!

On the little tins marching closer each minute, they could distinguish the identical colorful design of the World's Fair sky-line which had been earlier explained to them in a series of displays revealing the intricate steps in the process of lithographing on tin. But many women were still skeptical that some of the brightly lithographed cans in the display were not hand-painted!

"That's one bank that Roosevelt didn't close", remarked a visitor, as he watched the souvenir can rolling down.

Yet, when the Big Moment came, after all the waiting, to push the button as the light came on and "make" their own can, it was extraordinary how many were nonplussed and hesitated.

One out of every nine in line, on the average, had to be prompted—and one out of forty completely lost courage at the critical moment and had to have the machine operated for them! The Average Citizen, fundamentally, is a simple soul, honest and trusting, and the most elemental responsibility of choice or action is a far greater burden to him than many merchandisers appear to realize.

With the souvenir savings bank at last in their hand, however, an air of delighted possession quickly dispelled any lingering tension from the "heavy" responsibility of having participated in its manufacture. Wholly pre-occupied with their new acquisition, they turned it over and over examining every feature. It is certain that a sign offering a five-dollar bill, free, could

safely have been posted at that point without being noticed!

For the first time, perhaps, in history, a tin can was gleefully greeted as "cute" by almost a million people! Four enterprising potential can salesmen, aged nine or thereabouts, took their souvenir cans to the rear of the long line and offered them at a dime apiece to those still waiting their turn!

Every sixth person, on the average, thanked the uniformed attendant stationed at the delivery point. The Average American is decent, well-mannered and orderly and returns courteous treatment in kind. No need to stamp a flamboyant "compliments" on the souvenir—for courtesy and fair treatment were implicit in every phase of the Exhibitor's contacts with its visitors.

The toy tin bank had become the insignia of the 1934 World's Fair, as the Heinz Pickles had at an earlier Exposition, forty-one years ago. A million emissaries of goodwill for Canco and its multi-thousand clients spread out through the Exposition Grounds and thence to a myriad American homes, taking with them a valued, permanent souvenir of their instructive and entertaining promenade along "Container Avenue."

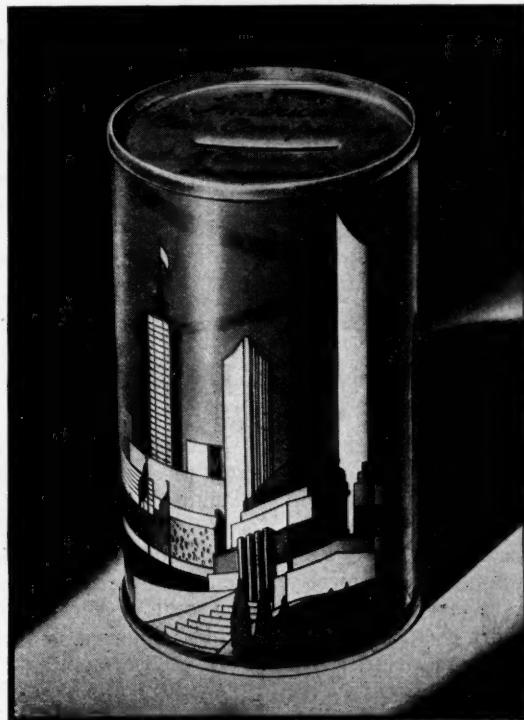
### A Symbol of Progress

The tin can, for them, no longer carries its old connotation, but is accepted as the symbol of one of America's greatest and most constructive industries, daily setting the seal of science on new methods of increasing the welfare and comfort of millions of people, rich and poor alike, throughout the civilized world.

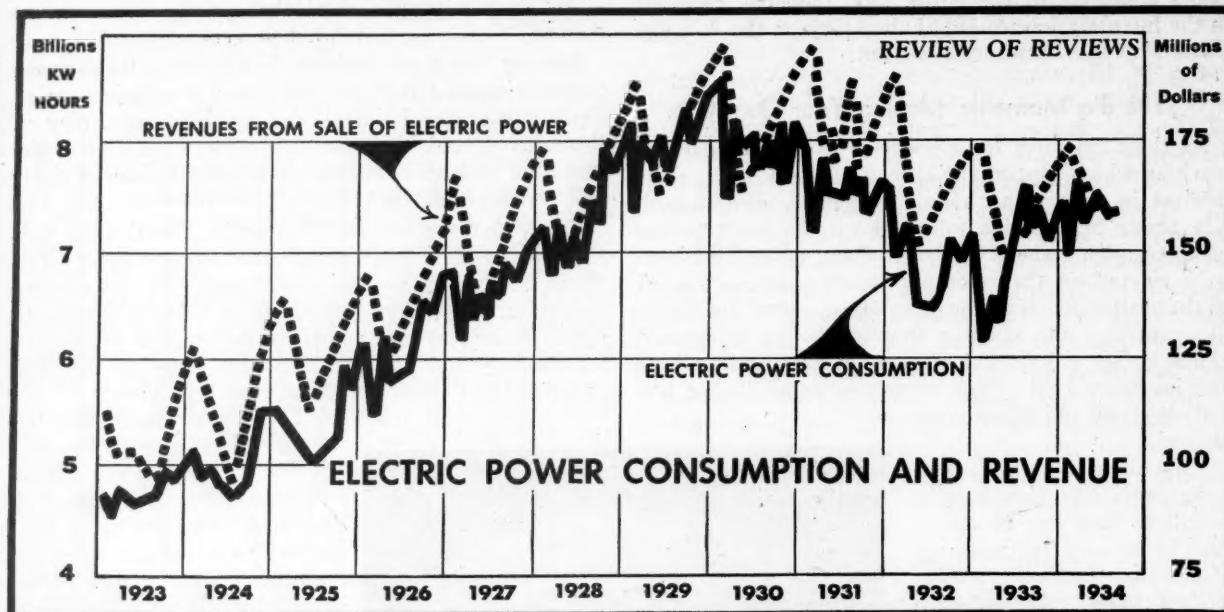
However commonplace containers formerly may have seemed to these million visitors, Canco, by its participation in the Fair, has clothed the tin can with a meaning rich in the satisfaction of warm, human desires—the insignia of increased happiness and health to millions.

In merchandising, as in politics, the only way to lead is to follow. To confuse what people should do, with what people will do, is as futile as trying to build a mirror powerful enough to change people's looks. This is what the planners of this exhibit recognized.

So they went to the people, the ordinary, common "folks", who every year, rain or shine, in depression or prosperity, spend billions on their ordinary, human needs—and *came back with them* to re-discover together the manifold, welcome services that packers of canned products stand ready to offer. It will be many years before they will cease to reap the reward of their enterprising and astonishingly successful contribution to the 1934 Century of Progress Exposition!



"THE TOY TIN BANK had become the insignia of the 1934 World's Fair."



## Analyzing the UTILITIES\*

By HOWARD FLORANCE

**A**N OUTSTANDING PARADOX in New Deal philosophy is the mad rush to spend hundreds of millions in public money to duplicate private enterprise in the light and power industry, at a time when private enterprise elsewhere—farming, for example—is being paid other hundreds of millions in public money merely to curtail its output. The power to tax is the power to destroy; and it was already being exercised freely.

But for those two factors the gas and electric light and power industry would have special appeal to the investor in this period of national recovery. Take electricity, for example: That industry sold to customers 75 billion kilowatt hours in 1929 and 65 billion in 1933. It was a loss of 13 per cent—compared with a drop of 64 per cent on automobile production and 45 per cent in freight car loadings. The gas industry, natural and manufactured, matched the performance of electric light and power by showing a loss of only 14½ per cent. Together they have exemplified stability. When it came to economy, the public chose to save elsewhere than on its monthly gas and electric light bill.

Public utilities were once favored by government as well as by investor, and were granted monopoly status. Who desires duplicate telephone facilities? Of what advantage are two lines of gas pipe through the streets? The higher cost of competition is apparent. But recently the utilities have become the football of politics, especially what is known as the power industry. Regulation by public commission had not been wholly effective in eradicating abuse. One by one there sprang up municipally owned electric light plants, the success of which has been a matter of dispute.

Now the greater threat to established industry comes from the federal government itself, which is building or planning huge power projects, north, east, south, and west. Some of these will extend power and light into new fields. Others are avowedly to destroy existing facilities by competition, with rates that are lower not as a result of efficiency in operation but through the use of public moneys and the escape from taxes.

### Adding Tax Straws to the Camel's Back

This tax matter would be funny were it not so serious. A utility runs the gamut of ordinary federal and local taxes, and then stands out as a lightning rod to attract the attention of legislators seeking additional revenue. Note the federal tax of 3 per cent on electric energy sold to consumers. Since the average monthly bill per domestic consumer is \$2.75 it was a tax of 8½ cents a month, to which one might object but which one surely would not feel. But after a year Congress transferred the tax to the company. It becomes a 3 per cent levy on gross revenues. This bit of Congressional whimsy transfers a tax of 53 million dollars annually from the shoulders of 24 million customers to a very much smaller and less articulate group of shareholders.

In addition there are taxes on gross revenues in more than half of the states—notably North Carolina's levy of 5 per cent and Washington's levy of 3 per cent. In Kansas, Mississippi, Nebraska, and Oregon the rate is 2 per cent.

As a final step the cities have begun to learn the game. Seattle imposes a tax of 4 per cent upon the gross revenues of utilities that have monopoly status. New York City's emergency tax fixes the utilities rate at 1½ per cent, which is thirty times the rate imposed upon gen-

\*By which we mean certain representative companies in the electric light and power industry.

eral business. The Consolidated Gas Company of New York finds that it must set aside 16 1/3 cents out of every dollar of revenue to pay taxes. Its tax bill last year was more than 36 million dollars, a 40 per cent increase over 1929 though revenues had declined.

This present discussion of the investment status of public utilities is patterned somewhat after two articles that have preceded it in an informal series. The first was on "motors," the second on "rails". It considers the industry itself in its larger relationships; and presents statistically the rating of nine corporations selected with some regard for variety and geography as well as for size and investment popularity. It has seemed best not to include the communications branch of these public utilities, to tread only lightly in the realm of holding companies, and to emphasize a number of operating companies which furnish gas and electric light and power for commercial and domestic use.

Accompanying tables set forth such essential statistical data as the net earnings and dividends of these representative corporations over a period of six and a half years of prosperity, depression, and recovery. In particular the statistics show the price (based on present market value) which the investor pays per dollar of book value, the price per dollar of net earnings, the price per dollar of dividends, the gross revenue in relation to invested capital, and the times-over that fixed charges are earned. Each company gains its own rating in each of these classifications. The five factors are then weighted (see explanation under the "Rating" table on this page), and the companies emerge in a combined final rating.

The plan is one devised by Joseph Stagg

Lawrence, economist of this magazine, for better enabling the investor to know what he gets for this money. It seems desirable to call the reader's attention to the fact that public utilities as a group enjoy high investment rating, for dividends usually have been maintained. Thus eighth or ninth standing on our list of nine is not to be despised. This was not true of the preceding articles, on motors and rails, where deficits were more conspicuous than earnings.

The nine corporations in the gas and electric light

RATING	Ratio Gross Revenue To Capital	Based on Present Price of Stock				
		Net Earnings	Book Value	Fixed Charges Earned	Divi- dends	Combined Final
Consolidated Gas	4	2	2	1	5	1
Public Service N. J.	1	5	8	2	3	2
Brooklyn Union Gas	2	3	7	4	4	3
So. California Edison	9	4	3	5	1	4
Pacific Gas & Electric	7	6	4	7	2	5
United Gas Improvement	6	7	9	3	6	6
Detroit Edison	5	8	6	8	7	7
Columbia Gas & Electric	8	9	5	6	8	8
People's Gas	3	1	1	9	9	9

OUR combined final rating is obtained by weighting the five factors, as follows: Ratio gross revenue to capital, 2; net earnings, 3; book value, 1; success in meeting fixed charges, 3; dividends, 3. The reader may choose to apply different weight values. People's Gas is not now paying a dividend, so we drop it to the lowest rating among the nine.

## DIVIDENDS

	Average 1928-1933	1928	1929	1930	1931	1932	1933	Nine Months 1934
Brooklyn Union Gas	5.00	5.00	5.00	5.00	5.00	5.00	5.00	3.75
Columbia Gas & Electric	1.63	2.00	2.00	2.00	1.87 1/2	*1.12 1/2	*.77 1/2	*.25
Consolidated Gas	3.51	2.62 1/2	3.25	4.00	4.00	4.00	3.20	1.75
Detroit Edison	7.33	8.00	8.00	8.00	8.00	7.50	4.50	3.00
Pacific Gas & Electric	1.98	2.00	2.00	2.00	2.00	2.00	1.87 1/2	1.12 1/2
Peoples Gas	7.00	8.00	8.00	8.00	8.00	6.50	3.50	None
Public Service, N. J.	3.13	2.40	3.40	3.40	3.40	3.30	2.90	2.10
Southern California Edison	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.37 1/2
United Gas Improvement	1.14	1.10	.92	1.20	1.20	1.20	1.20	.90

BROOKLYN UNION GAS and United Gas Improvement stand out in the matter of current dividends, paying as much in 1934 as in 1929. The Brooklyn Union Gas rate is now \$5 annually, Consolidated Gas \$2, Detroit Edison \$4, Pacific Gas & Electric \$1.50, Public Service N. J. \$2.80, Southern California Edison \$1.50, and United Gas Improvement \$1.20.

Dividends are adjusted here to present share capitalization where split-ups or stock dividends have occurred.

\*Columbia Gas & Electric dividends since 1932 have been paid in 5 per cent preference stock at par.

## NET EARNINGS

(Net available for common)

	Total (000,000)					Per Share				
	Yearly			First 6 Months		Yearly			First 6 Months	
	Average 1928-1933	1931	1932	1933	1934	Average 1928-1933	1931	1932	1933	1934
5.1	5.7	5.0	4.6	2.5	1.8	Brooklyn Union Gas	7.24	7.64	6.79	6.18
17.3	16.5	11.1	5.9	4.6	4.2	Columbia Gas & Electric	1.56	1.42	0.96	0.51
50.2	56.7	46.8	38.0	26.2	17.7	Consolidated Gas	4.44	4.94	4.08	3.31
10.1	11.4	6.6	6.1	5.9*	7.3*	Detroit Edison	8.53	8.98	5.21	4.83
12.3	17.0	13.1	9.3	5.4	4.2	Pacific Gas & Electric	2.49	2.72	2.09	1.61
5.7	7.6	4.2	2.0	1.7	1.0	Peoples Gas	9.15	10.96	6.20	2.90
19.4	21.0	19.0	17.9	8.6	8.7	Public Service Corp., N. J.	3.61	3.82	3.46	3.26
7.1	7.8	6.5	4.0	1.6	1.0	So. California Edison	2.46	2.36	2.06	1.33
30.9	34.0	31.6	28.7	14.9	14.6	United Gas Improvement	1.39	1.46	1.36	1.23

ALL THESE nine companies show lower net earnings in 1933 than in 1932; and all but one are still lower in the first half-year 1934. This is worthy of special note because the period had been one of general business recovery. Taking 1933, the last full year, and comparing it with a five-year average, the nearest approach to earnings stability are the records of United Gas Improvement, Public Service, N. J., and Brooklyn Union Gas—each exceeding 90 per cent of its average.

\*Detroit Edison current earnings are for twelve months ended July 31.

industry which we have selected for presentation here, the type of service each renders, and its habitat, may be set down briefly as follows:

*Brooklyn Union Gas Company.* A consolidation of companies enjoying very local franchises, supplying manufactured gas to Brooklyn Borough and part of Queens Borough in New York City, a population of 3 million. Average gross revenue, 25 million dollars.

*Columbia Gas and Electric Corporation.* Owns the Cincinnati Gas and Electric Corporation, the Columbus Gas and Fuel Company, the Dayton Power and Light Company, and others. Serves a thousand communities in four states. Roughly, 60 per cent of its business is gas, 25 per cent electric, 13 per cent electric railway, and 2 per cent oil and gasoline. Average gross revenue, 89 million dollars.

*Consolidated Gas Company of New York.* Owns the New York Edison Company, the Brooklyn Edison Company, and a score of lesser subsidiaries. Furnishes gas and electric light and power to Manhattan and Bronx Boroughs and part of Queens Borough in New York City, and to adjoining Westchester County. Also furnishes steam for heating and power, mainly to office buildings. Average gross revenue, 228 million dollars.

*Detroit Edison Company.* Furnishes electric light and power in Detroit and many other Michigan cities, an important manufacturing region with a population of 2½ millions. Also conducts a steam-heating business in Detroit and a modest gas business in several cities. Average gross revenue, 50 million dollars.

*Pacific Gas and Electric Company.* A consolidation of gas and electric companies serving central and northern California, including San Francisco, Oakland, Sacramento, San Jose, Berkeley, and Fresno, a population of

nearly 3 million. Operates half a hundred hydroelectric generating plants, with natural gas available for its own auxiliary use and for half a million gas customers. Average gross revenue, 77 million dollars.

*Peoples Gas Light and Coke Company.* Furnishes gas to the people of Chicago, the country's second largest city. Average gross revenue, 38 million dollars.

*Public Service Corporation of New Jersey.* Operates electric power and light plants, gas plants, and street railways in most of the larger cities of New Jersey. Average gross revenue, 130 million dollars.

*Southern California Edison Company.* Generates and distributes electric energy throughout southern California, to a population of more than 3 million. Its distribution properties in Los Angeles are operated by the city under purchase contract. Average gross revenue, 38 million dollars.

*United Gas Improvement Company.* Oldest public utility holding company in the United States, incorporated in 1882. Owns gas and electric companies (also such utilities as street railways, water, steam, and ice), largely in Pennsylvania, Delaware, and Connecticut. Serves the people of Philadelphia especially. Average gross revenue, 100 million dollars.

### The Vanishing Iceman Helps

A million electric refrigerators were bought last year, to meet the American housewife's ever-advancing standard of living. It was a new record, far better than that of the extravagant year 1929. But the local iceman wilts at the collar and grows wobbly at the knees when he glimpses the sales record of 1934, still in the making. Sales in the first six months of this present year almost equaled the total for the whole of last year. Barring accident, 1,500,000 household electric refrigerators will be sold in 1934.

We are not here burying the iceman but rather suggesting what might have happened to earnings in the electric light and power industry if its half-brother, the electric appliance industry, had been less efficient. Electricity sold to large *commercial* customers dropped from 44.3 billion kilowatt hours in 1929 to 33.7 billion in 1933, a loss of 25 per cent. Electricity sold to *domestic* consumers rose from 9.7 billion k.w.h. to 12 billion.

It is not that more customers are being reached, for the doubling-up of families as a consequence of depression halted a steady expansion in that respect. But the average household is using more electricity. Sales resistance is low against four approaches:

Health that is improved by better lighting. Comfort that comes with portable fans in summer and heaters in winter. Pleasure as exemplified in a radio that works without the bother of batteries. Efficiency as demonstrated by electric clocks and percolators, by washing machines and food mixers.

To prove our point we delve hastily into a hitherto untapped field of research—the writer's own use of electricity in the home; and our exploration shows 1934 running more than 50 per cent ahead of 1929.

### When Utilities Were in Favor

The electric light industry has 24½ million customers, the gas industry 15½ million. The electric light industry last year sold service ag-

### SUCCESS IN MEETING FIXED CHARGES (Times earned)

	1928-1933 Average	1931	1932	1933	1933 Rating
Brooklyn Union Gas Co.	3.07	3.36	3.01	2.78	4
Columbia Gas & Electric Co.	3.40	2.98	2.44	2.09	6
Consolidated Gas Co.	4.64	4.72	3.70	3.16	1
Detroit Edison Co.	2.72	2.92	2.07	1.92	8
Pacific Gas & Electric Co.	2.29	2.37	2.18	2.04	7
Peoples Gas Light & Coke Co.	2.30	2.48	1.85	1.39	9
Public Service Corp. of N. J.	2.83	2.90	3.02	3.00	2
Southern California Edison	3.08	3.17	2.93	2.53	5
United Gas Improvement Co.	3.15	3.37	3.12	2.95	3

ALL THESE public utilities have large bonded indebtedness, interest on which must be paid before the shareholder has any equity in earnings. This table shows the common stockholder's margin of safety.

### Capitalization per Dollar of Gross Revenues

	1928-1933 Average	1931	1932	1933	1933 Rating
Brooklyn Union Gas Co.	3.74	3.85	4.47	4.72	2
Columbia Gas & Electric Co.	5.73	5.99	7.00	7.51	8
Consolidated Gas Co.	4.84	4.72	5.18	5.41	4
Detroit Edison Co.	5.25	5.40	6.33	6.75	5
Pacific Gas & Electric Co.	7.13	7.19	7.45	7.38	7
Peoples Gas Light & Coke Co.	4.45	5.22	4.93	5.33	3
Public Service Corp. of N. J.	4.10	4.13	4.33	4.61	1
Southern California Edison	8.97	8.48	9.47	9.78	9
United Gas Improvement Co.	6.77	6.61	6.84	7.08	6

CAPITALIZATION here includes stock and funded capital plus surplus. Gross revenues include non-operating income as well as gross operating revenues. The smaller capital required to produce a dollar of gross revenue, the better the rating.

gregating 1773 million dollars, while revenues of the gas industry were 679 million. Natural gas enjoys 70 per cent of the gas business of the country but produces only 44 per cent of gas revenues. Combined, gas and electric light are a  $\frac{1}{2}$  billion dollar industry as measured by last year's gross annual revenue. For comparison it may be stated that railroad operating revenue last year was 3 billions.

In the last fifteen years public utilities have come into prominence as a prime source of investment for the funds of life insurance companies. But the picture began to change while the present occupant of the White House was still Governor of New York, militant crusader against a Power Trust and leading candidate for the presidency. Going back to 1921 we find that 3 per cent of life insurance funds were invested in public utility bonds and stocks, a ratio which has exceeded 10 per cent since 1931. That same decade witnessed a reverse trend in life insurance investments in railroad bonds and stocks, the percentage dropping from 23 to 16.

### Railroads versus Utilities

Both railroad and utilities are subject to regulation, in matters of service, rates, and profits. The main distinction here is that railroad regulation centers at Washington while that of the utilities comes from local legislatures and public service commissions. Railroads cross state lines freely, utilities rarely except through consolidation and merger. Railroads face competition, with one another and with water, highway, and air traffic; contrariwise, utilities enjoy monopoly status.

Railroads, however, never have had to fear government competition. Government operation has been tried, during the war emergency; and at the depth of depression it seemed as though government ownership would be the only way to avert widespread bankruptcy. But government competition has been outside the realm of possibility.

The present threat to the investment stability of utilities comes to the electric light and power companies. It comes not through regulation that forces reduced rates, nor through increased taxation, but rather as a

### PRICE PER DOLLAR OF DIVIDENDS

	Dividends per Share 1928-1933 Average	Market Price 1928-1933 Average	Price per Dollar of Dividends 1928-1933	Estimated Dividends 1934	Market Price Sept. 1 1934	Price per Dollar of Dividends 1934	Rating in Group 1934
Brooklyn Union Gas Co.	5.00	121	24.20	5.00	58	11.60	4
Columbia Gas & Electric Co.	1.63	44	27.00	.50	10	20.00	8
Consolidated Gas Co.	3.51	86	24.50	2.25	28	12.45	5
Detroit Edison Co.	7.33	164	22.40	4.00	66	16.50	7
Pacific Gas & Electric Co.	1.98	45	22.72	1.50	16	10.68	2
Peoples Gas Light & Coke Co.	7.00	176	25.18	None	24	00.00	9
Public Service Corp. of N. J.	3.13	69	22.05	2.80	32	11.42	3
Southern California Edison	2.00	44	22.00	1.75	13	7.43	1
United Gas Improvement Co.	1.14	29	25.42	1.20	15	12.50	6

THE INVESTOR in Southern California Edison pays least for each dollar of current dividends. This table should be used with that of net earnings, (page 59), to show to what extent dividends are now being earned.

### PRICE PER DOLLAR OF NET EARNINGS

	Net Earnings per Share 1928-1933 Average	Market Price 1928-1933 Average	Price per Dollar of Net Earnings 1928-1933	Net Earnings 1933	Market Price Sept. 1 1934	Price per Dollar of 1933 Net Earnings	Rating in Group 1933
Brooklyn Union Gas Co.	7.24	121	16.70	6.18	58	9.38	3
Columbia Gas & Elec. Co.	1.56	44	28.20	0.51	10	19.60	9
Consolidated Gas Co.	4.44	86	19.37	3.31	28	8.45	2
Detroit Edison Co.	8.53	164	19.22	4.83	66	13.67	8
Pacific Gas & Electric Co.	2.49	45	18.08	1.61	16	9.95	6
Peoples Gas Light & Coke Co.	9.15	176	19.23	2.90	24	8.28	1
Public Service Corp. of N. J.	3.61	69	19.11	3.26	32	9.82	5
Southern California Edison	2.46	44	17.90	1.33	13	9.78	4
United Gas Improvement Co.	1.39	29	20.86	1.23	15	12.20	7

NEXT to dividends paid, this becomes our most valuable guide for the shareholder. And all nine of our utilities show current net earnings. The No. 1 rating here is modified by the fact that Peoples Gas earnings recently have indulged in a marked drop.

### PRICE PER DOLLAR OF BOOK VALUE

	Book Value Per Share 1928-1933 Average	Market Price 1928-1933 Average	Price per Dollar Book Value 1928-1933	Book Value 1933	Market Price Sept. 1, 1934	Price per Dollar of 1933 Book Value	Rating in Group 1933
Brooklyn Union Gas Co.	93.89	121	1.29	89.97	58	.64	7
Columbia Gas & Electric Co.	18.33	44	2.40	17.35	10	.58	5
Consolidated Gas Co.	55.70	86	1.54	55.33	28	.51	2
Detroit Edison Co.	113.83	164	1.44	112.57	66	.59	6
Pacific Gas & Electric Co.	27.55	45	1.63	28.56	16	.56	4
Peoples Gas Light & Coke Co.	135.24	176	1.30	111.07	24	.22	1
Public Service Corp. of N. J.	30.55	69	2.26	31.09	32	1.03	8
Southern California Edison	24.35	44	1.81	24.26	13	.54	3
United Gas Improvement Co.	12.22	29	2.38	11.55	15	1.30	9

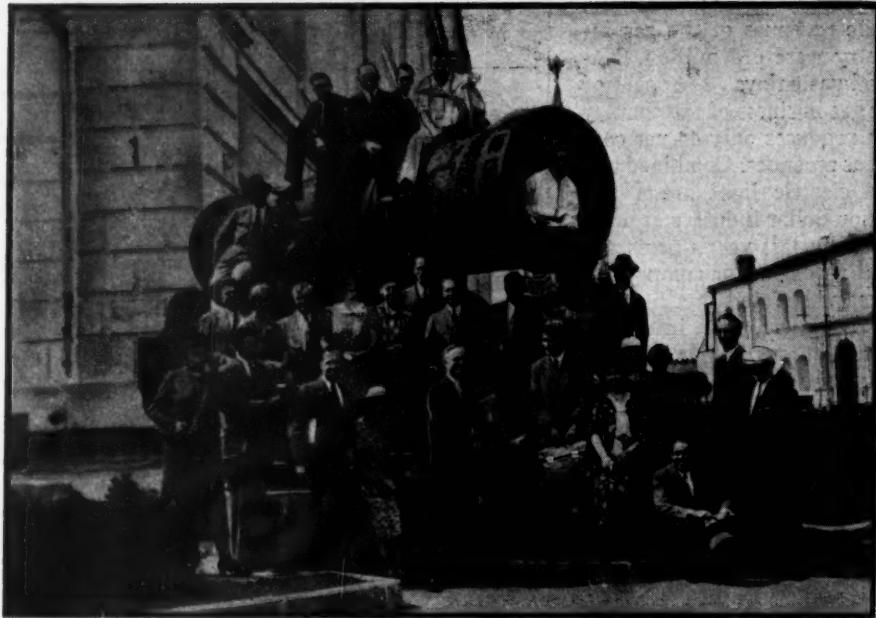
Book value, roughly speaking, is capital plus surplus divided by the number of shares.

result of immense rival projects sponsored by the federal government—at Muscle Shoals in the South, at Boulder Dam in the Southwest, at Coulee Dam in the Northwest, and on the St. Lawrence in the North.

### Current Earnings Go Down

A glance at our table of net earnings (page 59) shows that every one of our nine utilities earned less in 1933 than in 1932, and all but one of them earned less in the first half of 1934 than in the same period of 1933. This was not true of the motor industry, nor of the railroads, the two groups (*Continued on page 71*)

EUROPE is said to be in semi-chaos, but this prominent New York Episcopalian finds much that is good in the "woolly wilds" of Stalin, Hitler, and Starhemberg, anti-pathetic to one another though they be in 1934



By  
LYMAN P. POWELL

## A Clergyman

IT is now more than forty years since the REVIEW OF REVIEWS, always a pioneer, announced that education is for adult as well as adolescent; and all through the intervening years its pages have been liberally sprinkled with convincing appeals for a better understanding of the swiftly changing world, by old as well as young.

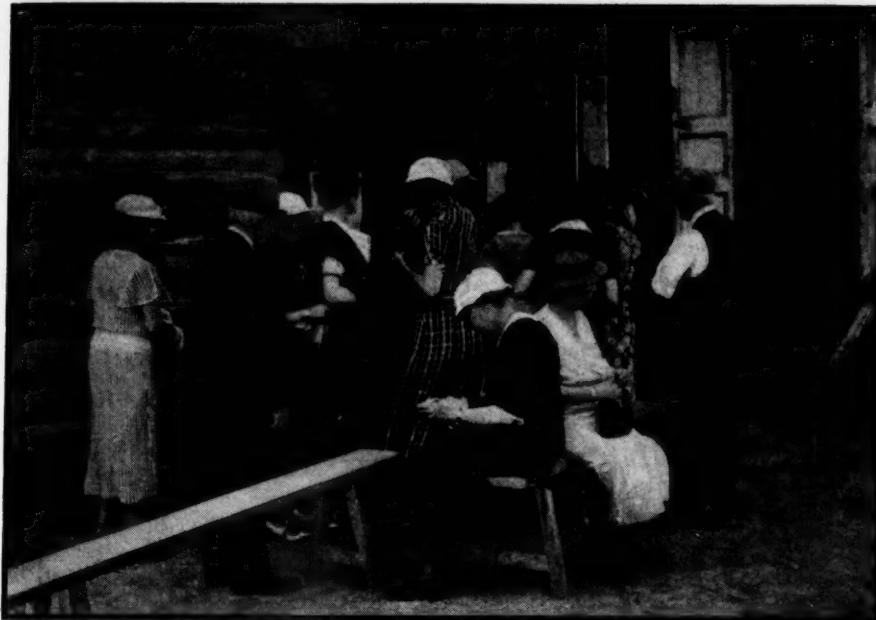
For the fourteenth consecutive season the American Educational Pilgrimage to Europe has gone, and come. Some sixty of us—university presidents and professors, lecturers and preachers, editors and authors—under the conduct of Dr. Sherwood Eddy, originator and developer of the great idea, have circled round Europe meeting leaders of thought and action in London, Paris, Geneva, Berlin, Munich, Vienna, Warsaw, Helsingfors, Leningrad, and Moscow, and often discussing with them the amazing events of the most momentous summer since 1914—sometimes on the very heel of their happening.

Every morning in historic Toynbee Hall, where not infrequently the snow-white beard of Bernard Shaw wags wildly over the curly head of "Jimmy" Mallon, we actually did sit for some ten days at the feet of such competents to counsel as the Marquis of Lothian, Viscount Cecil, Lord Percy, Sir Gilbert Murray, Dr. G. P. Gooch, H. N. Brailsford, S. K. Ratcliffe, the leaders of the Labor party—topped off by a garden party given us by Lord and Lady Astor and an inspiring visit by invitation to the Prime Minister at 10 Downing Street. Every side of public thinking about European affairs was presented to us; and as for many weeks we circled round nerve-racked Europe, through the thoughtful fore-planning of Dr. Eddy, who appears to know everybody everywhere, experiences and contacts came our way which enabled us to fill out for ourselves the

larger picture of a Europe whose ultimate no man is wise enough to blueprint.

Though Dollfuss had just been buried when we reached Vienna, his successor in the chancellorship graciously kept the appointment Dollfuss had made with us, and impressed us with his culture, consecration, and devotion to distracted and almost dismembered Austria, violently converted under our very eyes from a world problem into the world's danger spot.

With Hitler proclaiming on September 5 that Germany will have no more revolutions for a thousand years, the exciting weeks we spent in Berlin and Munich would scarcely seem worth noting. But things did happen fast and furiously while we were there. We got first-hand impressions of Hitler, and of several close to him. His genius for details, his card-catalog understanding of plain people, his determination to lift Germany out of her depression, despair, and inferiority complex which was near to her undoing when Hitler took the helm, outbulked all else in our pilgrim observations. As we listened to his resounding speech of July 13, justifying his June 30 conduct, we realized that Hitler has oratorical power beyond description to compel allegiance, no matter how defective his argument may seem about Germany's Nordic character. His very name may have put Europe into a panic, but the German youth adore him. Never shall I forget the shining face of the lovely, cultured, charming Mädchen who at dinner with hands clenched tight said to a few of us: "Herr Hitler seems to us a sort of Jesus Christ, surrounded by bad men". When we were sailing up the Baltic to Finland, with a joyous company of German youth on board singing for us as only German youth can sing, they gave no impression of a militaristic spirit. In fact they politely but decidedly declined our request



THE EDDY PARTY (on the page opposite) grouped around an historic cannon at the Kremlin, Moscow governmental center. The picture on this page shows these same pilgrims on the "Trud" collective farm, two hours away from the crowded Russian capital.

## Looks In on Russia

to sing the *Watch on the Rhine*. "It is too warlike", their leader stoutly answered.

Getting into Russia was no easy task. We expected some discomforts and delays. Irina Skariatina had carried back with her, after ten years of exile, the beautiful dreams of old Russia. Ivy Lee had sought the secret of Russia's highly successful propaganda. Alexander Woollcott had left behind the discouraging suggestion that we might bring out of Russia as much accurate information as we brought sand in our shoes.

On the way from the new Finland (which Will Rogers calls a "knockout") to Leningrad, we were held up several hours at the Russian border. "I told you so" was in many a mind. "Just what I expected" was on many a tongue. We had changed cars when we needed to be sleeping. There was confusion and delay in getting anything to eat. The rain came down in torrents. Some felt a little grouchy as we watched Russian women doing a man's hardest work in building the new customs house, mixing mortar and wheeling concrete up the steep incline. But as in passing on other apparent defects in Russia, the suspended judgment proved worth while. As the day dragged on and "customs" did not come to look us over, and we were overdue in Leningrad, the reason for discomfort and delay emerged. Something had happened which might anywhere occur. The old customs house had burned a while before. Prepared at most to handle the usual small group of visitors coming by that route into Russia, customs found an unexpected extra-trainload to despatch; for visitors to Russia broke all records last summer. In the circumstances, the small customs staff—many of them women—did as well as any could expect; and they were invariably courteous. Russians are like that.

home, must have learned those social teachings of Jesus which later developed into a passion for social justice, with the substitution of History for God in the Marxian scheme.

Moscow was our headquarters for the larger period; and the Metropole Hotel, suggestive of the Adlon in Berlin in its cosmic hospitality, sometimes made us wonder that such comforts could be found so far from Piccadilly, Paris, and Broadway. At the center of a city in which "no stalk of grass is motherless", the Metropole has seen Russia pass through two major famines, a civil war, a war of intervention, and a Five-Year Plan which has brought such substantial improvements in living that even a conservative English publicist, who is no communist, authentically pictures Russia as the brightest spot on the European horizon, while an Anglican clergyman sees there the Kingdom of God already come. From the windows of our room on July 24 we saw 130,000 magnificent Russian young folks marching to their annual athletic contest with a joyous exuberance that had no military tinge, with splashes of color in the gala dress of the young men and young women too bewilderingly beautiful for brush or pen to paint.

Teachers, as well as pupils, on another day gave their demonstration at the Park of Rest and Culture, and none of the many thousands were too old to join in the resounding and characteristic chorus:

"We wash our hands,  
"We clean our teeth.  
"We fill our tummies,  
"We take our naps;  
"And we work for the Five-Year Plan."

The keynote of Russia's progress is education in social justice under the (*Continued on page 68*)

# • • The March of Events • •

## Recession?

Is Recovery gaining or losing ground? Here are some straws that show contrary winds.

**W**HOLESALE commodity prices reach their highest level since February, 1931, according to the Bureau of Labor Statistics (August 24). The index number is 76.9 per cent of the 1926 average; it was 69.6 a year earlier, and 59.6 at the low point in March, 1933. Farm commodities are 71.8 compared with 58.2 a year earlier.

STEEL operations at 19.1 per cent of capacity (August 28) mark a new 1934 low point. The high mark was 57.4 per cent, in June. There is a further dip in the following week, but it is due to the Labor Day holiday.

RAILROADS reporting for July (up to August 29), 70 roads, show net operating income aggregating \$2.3 millions—compared with \$9.5 in July, 1933, and 11. in July, 1932.

HOG prices read \$8.05 per hundred weight (August 29), an advance of \$2.65 in 19 days. It is the highest price in more than three years, and in addition the packers must pay a processing tax of \$2.25 per hundred. Supply is sufficient to meet demand, presumably a result of the Government's hog slaughter in the spring.

LABOR's president, William Green reports on unemployment (August 30): "From June to October, 1933, 2,200,000 were reemployed; from October to June, 1934, only 100,000." It is clear, he says, that "the country cannot look to organized business for leadership... The situation is a challenge to the Government to give us a plan."

STOCK-EXCHANGE trading as August comes to an end totals 16,690,972 shares for the month—the leanest month since May, 1924.

LEWIS W. DOUGLAS resigns as Director of the Budget (August 30). He had been regarded as the leading conservative among the President's financial advisers, striving to achieve an early balance between income and expenditure.

ROGER BARSON, voicing widespread belief in many quarters, declares (September 12) that "everything is set for an improvement in general business... All that is needed now to put men to work and have a legitimate upturn in business is a frank statement by the President that will give confidence."

INTERNAL Revenue collections for the year ended June 30 are announced (September 10) as totalling 2,672 million dol-

lars, of which 371 are processing taxes, returnable to the farmer for reducing crops. Income taxes, \$17 millions, were up 9 per cent, and miscellaneous taxes of 70 per cent.

## Disaster at Sea

A modern liner burns rapidly at sea, within sight of land, and a series of errors of judgment results in great loss of life.

**F**IRE in the early morning aboard the *Morro Castle*, (September 8) while only six miles off the New Jersey coast, causes a loss of 135 lives; 414 are saved. That the percentage of loss among passengers was so much larger than among the crew (29 per cent as against 18) arouses interest. The vessel, still burning, is beached at Asbury Park.

INVESTIGATION by U. S. Government authorities (beginning September 10) indicates that the fire on the *Morro Castle* was discovered late and gained headway rapidly; that two life boats left the ship with forty crew and three passengers; that passengers gathered largely where there were no boats; that the Captain was already dead of heart failure; that the Chief Engineer never went to his post and was among the first to abandon ship; that the wireless operator waited forty minutes for orders to send an SOS, which finally came as the wireless room itself burst into flames.

## Textile Workers Strike

A 30-hour week and recognition of the union are demanded, with 363,000 workers obeying their leaders and quitting work.

**T**EXTILE workers in convention at New York (August 16) vote mandatory power to their executive council to call a strike. The union claims a membership of 300,000.

SILK, rayon, and woolen textile workers are voted into a strike alliance with the cotton textile workers (August 17) at New York.

COTTON textile workers are called out on nation-wide strike by their leaders (August 30), effective on September 1. Four hundred thousand workers are involved, from Maine to Alabama.

WOOLEN and worsted, and silk and rayon, textile workers decide (August 31) to join the strike of cotton textile workers. Total workers involved, in all three branches, is 650,000.

STRIKERS' demands as stated by the United Textile Workers (September 5) include recognition of the union as exclusive agency for collective bargaining;

a 30-hour week with pay adjustment equivalent to 40-hours at present scale; and limitation of the "stretch out" or use of a smaller number of workers on improved machinery.

EMPLOYERS (September 5) refer to an official report of the NRA division of research, made last spring, which declared: "There is no factual or statistical basis for any general increase in cotton textile code wages." Hourly wages average 37 cents, compared with 22 a year ago and 33 in 1929, with the dollar worth one-third more. Average weekly earnings were \$13.41 in April, \$10 a year ago, and \$15.65 in 1929.

A BOARD of Inquiry for the Cotton Textile Industry is named by the President (September 5) to inquire into and report—not later than October 1—upon complaints of workers and problems of employers. The three members are Governor John G. Winant of New Hampshire, Marion Smith of Georgia, and Raymond V. Ingersoll of New York City.

GOVERNOR EHRINGHAUS of North Carolina calls upon the National Guard to aid police authorities to preserve order (September 5). "Men and women who wish only to be let alone at their peaceful employment are being terrorized."

AN Associated Press estimate out on the third full day of the strike (September 6) shows 363,000 idle, out of 696,000 normally employed. Of the strikers, 163,000 are in North and South Carolina, Georgia, and Alabama; 140,000 in New England; and 48,000 in Pennsylvania and New Jersey.

FRANCIS J. GORMAN, chairman of the strikers' committee, proposes (September 8) that both sides accept arbitration. Meanwhile, he would have all mills closed, and have "our members picket all mills and guard them against damage."

GEORGE A. SLOAN, president of the Textile Institute, and spokesman for the employers, rejects (September 9) the strikers' proposal, with its two "utterly impossible" demands.

THE COTTON Textile Code Authority declares (September 12) its belief that "the provisions of a government code shall not be changed by intimidation and violence."

## Tariff-Making, 1934 Model

The U. S. moves to bolster declining foreign trade by reciprocal tariff treaties—in which Congress plays no part.

A TARIFF treaty between Cuba and the U. S. is signed at Washington (August 24), the first under new powers granted to the President by Congress.

Duty on Cuban sugar is reduced to .9 cents per pound, from 1.5 cents. In return for this 23 million dollar concession (on a quota of 1.9 million short tons annually), and others, Cuba grants a variety of preferences to imports from the U. S., such as lard, cigarettes, and automobiles.

THE State Department formally announces (August 31) its intention to negotiate trade treaties with Brazil and Haiti. Trade with Brazil has fallen from 108 millions of U. S. exports in 1929 to 30 millions in 1933, from 208 millions of imports—largely coffee—to 87 millions.

IT is announced by the State Department (September 8) that trade agreements are to be arranged with Belgium, Colombia, and the five Central American republics.

### The People Nominate

It is a political season, with candidates galore from Maine to California.

OHIO senatorial primaries (August 14) result in the defeat of Governor George E. White by former Governor A. V. Donahey, with Senator Fess renominated by Republicans. For Governor: Martin L. Davey, tree surgeon, Democrat, and Clarence J. Brown, newspaper publisher, Republican.

ARKANSAS Democrats renominate Governor J. M. Futrell (August 14), and victory in the primary is equivalent to election.

IDAHO Democrats renominate Governor C. Ben Ross (August 14). Republicans choose Frank L. Stephan.

NEBRASKA Democrats (August 15) reject Governor Charles W. Bryan's bid for a Senate seat, choosing Representative Edward R. Burke. Former Representative Robert G. Simmons is the Republican choice. For Governor: Roy L. Cochrane, Democrat, and Dwight Griswold, Republican.

WYOMING Democrats renominate Governor Leslie A. Miller (August 21). Republicans choose A. M. Clark.

TEXAS Democrats vote for James V. Allred for Governor (August 26). State's Attorney General, 35 years old, he opposed "Fergusonism" as represented by Governor Miriam A. Ferguson and former Governor James E. Ferguson, impeached.

CALIFORNIA's primary (August 28) attracts nation-wide attention. Democratic nominations are won by Upton Sinclair, a life-long Socialist, for Governor; and Hiram Johnson, a life-long Republican. Republicans renominate Senator Johnson and Acting Governor Frank F. Merriam.

NEVADA Democrats renominate Senator Key Pittman (September 4). Republicans choose George W. Malone. For Governor: Republicans designate Acting Governor Morley Griswold; Democrats, Richard Kirman.

CONNECTICUT Democrats in convention (September 6) renominate Governor Wilbur L. Cross for a third term, and designate Congressman Francis T. Maloney to contest the Senate seat. Republicans (September 12) agree upon Hugh M. Alcorn for Governor, and renominate Senator Frederic C. Walcott.

MAINE voters (September 10) reelect Senator Hale, Republican, and Governor Brann, Democrat. The three Congressional seats are also divided, two Democratic and one Republican.

NEW HAMPSHIRE voters nominate for Governor (September 11) H. Stiles Bridges, Republican, and John L. Sullivan, Democrat.



PICKET DUTY IN NORTH CAROLINA

VERMONT Republicans (September 11) renominate Senator Warren R. Austin and select Lieutenant-Governor Charles M. Smith, as nominee for Governor. Democrats choose Fred C. Martin for Senator, and James P. Leamy for Governor.

MICHIGAN Democrats fail to renominate Governor William A. Comstock (September 11) selecting instead Arthur J. Lacy. Republicans choose Frank D. Fitzgerald.

SOUTH CAROLINA's run-off Democratic primary (September 11) is carried by Olin D. Johnson for Governor, defeating Cole L. Bleasdale.

COLORADO Democrats fail to accept the candidacy of a woman for Governor (September 12), renominating Edwin C. Johnson over Miss Josephine Roche.

MARYLAND Democrats renominate Governor Ritchie for a fifth term (September 13), Republicans choosing Harry W. Nice. For Senator, the leading candidates are George L. Radcliffe, Democrat, and Joseph I. France, Republican.

### Code Hours in Cotton

The President exercises a power which few knew that he possessed.

FOR THE first time the President amends a major code by executive order (August 22). He reduces hours in the cotton garment industry from 40 to 36. An increase in base wage rates offsets the 10 per cent cut in hours of work. The object is to employ 10,000 now idle.

EMPLOYERS in the cotton garment industry, through representatives of fourteen manufacturers' associations, decide (August 27) not to accept the President's change in code hours, and declares its intention to take legal steps. But the code which they signed gives the President power.

### With the Cotton Farmer

Higher prices, caused by droughts, cause Uncle Sam to raise his lending value also.

TWELVE cents a pound, instead of ten, is hereafter to be loaned to the producer by the RFC through the Commodity Credit Corporation by direction of the President (August 21). This is not merely to promote orderly marketing as required for consumption, but to prevent dumping in anticipation of a cotton textile strike.

COTTON farmers who plowed-under part of their crop in 1933, and received in return bales of government-owned cotton in storage, are permitted (August 24) to increase to 12 cents a pound their present loans of 10 cents, through the Commodity Credit Corporation.

AAA checks for 38 million dollars had been sent to cotton farmers in seventeen states, for rental of idle acres, up to August 16, according to official statement (August 26). It is part of 100 millions expected to be paid, besides 25 millions in so-called "parity" payments.

### Huey Long

Louisiana's peppery Senator investigates city government in New Orleans.

LOUISIANA's legislature ends a five-day session (August 18) during which it passed twenty-seven bills designed either to wipe out graft in New Orleans or to increase the Governor's powers in a political feud with the Mayor of that city. Back of Governor O. K. Allen admittedly stands Senator Huey Long. In a final rumpus the press is excluded.

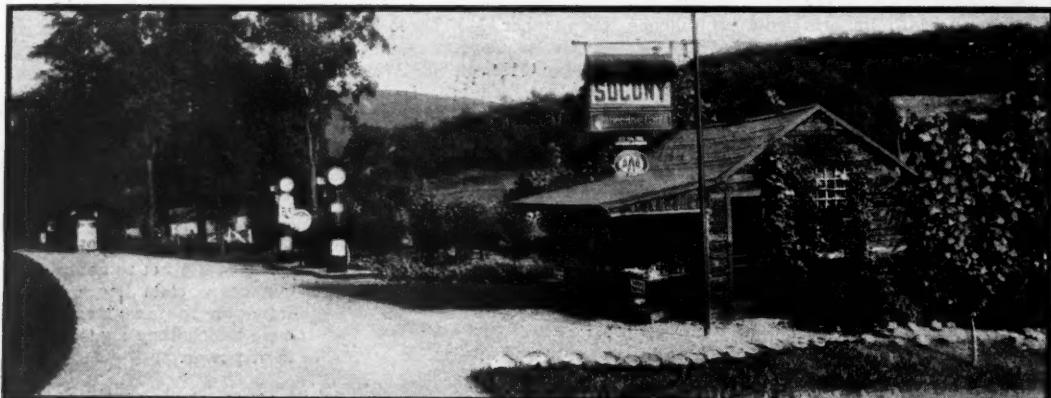
HUEY LONG enters New Orleans with an escort of National Guard (August 31), called out by Governor Allen to protect the legislature's investigating committee. Long is the committee's counsel.

A PRIMARY election in New Orleans and surrounding parishes (September 11) is carried by candidates backed by Senator Long. Under a political truce, neither National Guardsmen nor Police are at the polls.

Continued on page 12

• • • • • a department of CIVIC ACHIEVEMENTS

In coöperation with the American Civic Association



THIS refreshment stand, at Hoosick Falls, N. Y., won first prize in a way-side stand improvement campaign financed by Mrs. John D. Rockefeller, Jr.

## The Roadside Becomes Important

By ELIZABETH B. LAWTON

THE LAST five years have seen remarkable progress in the movement for beautiful highways. The U. S. Bureau of Public Roads recently gave impetus to the movement by its ruling that in the allocation of the \$400,000,000 NRA highway fund each state is required to set aside one-half of 1 per cent for roadside development. Many states which had done nothing before are now coming into line.

In fairness to the civic groups, it must be noted that this action never could have been taken had not a demand for roadside development been created by the public-opinion campaigns of recent years, carried on by the American Civic Association, the American Nature Association, the Garden Clubs, and the National Roadside Council (formerly National Council for Protection of Roadside Beauty), with its state and regional councils now functioning in fifteen states. The Highway Research Board calls attention to this fact, in its recent Report on Roadside Development, and states that education of the taxpayer to appreciate the need and the possibility of roadside development is fundamental.

As roadside work gets under way, we find in many states an urgent need for a better understanding of the problem. What is our aim? What is our beautified highway to look like? Even landscape architects sometimes fail to appreciate that this is a new problem. The rules and regulations laid down for the formal landscaping of a park or an estate are not always applicable.

To some enthusiasts roadside development means planting beds of pansies and peonies along our rural roads. To others it means lining our highways with rows of trees. One worthy but misguided gentleman in Alabama has a plan to border every highway in the United States

with trees. It would be a crime still further to standardize our highways with formal or intensive planting, or to use exotics.

We should get away from the standardization already too prevalent in highway construction and restore as far as possible the characteristic beauty of each road. Frequently this means no planting whatever beyond that necessary to heal the scars of construction, but means instead the conservation of the natural growth already present. In other places it may mean additional trees or shrubs, material which "belongs", set in natural groups where it will frame, not hide, the

view. Always the first step is the healing of the construction scars; raw shoulders and slopes must be covered with green and borrow pits screened.

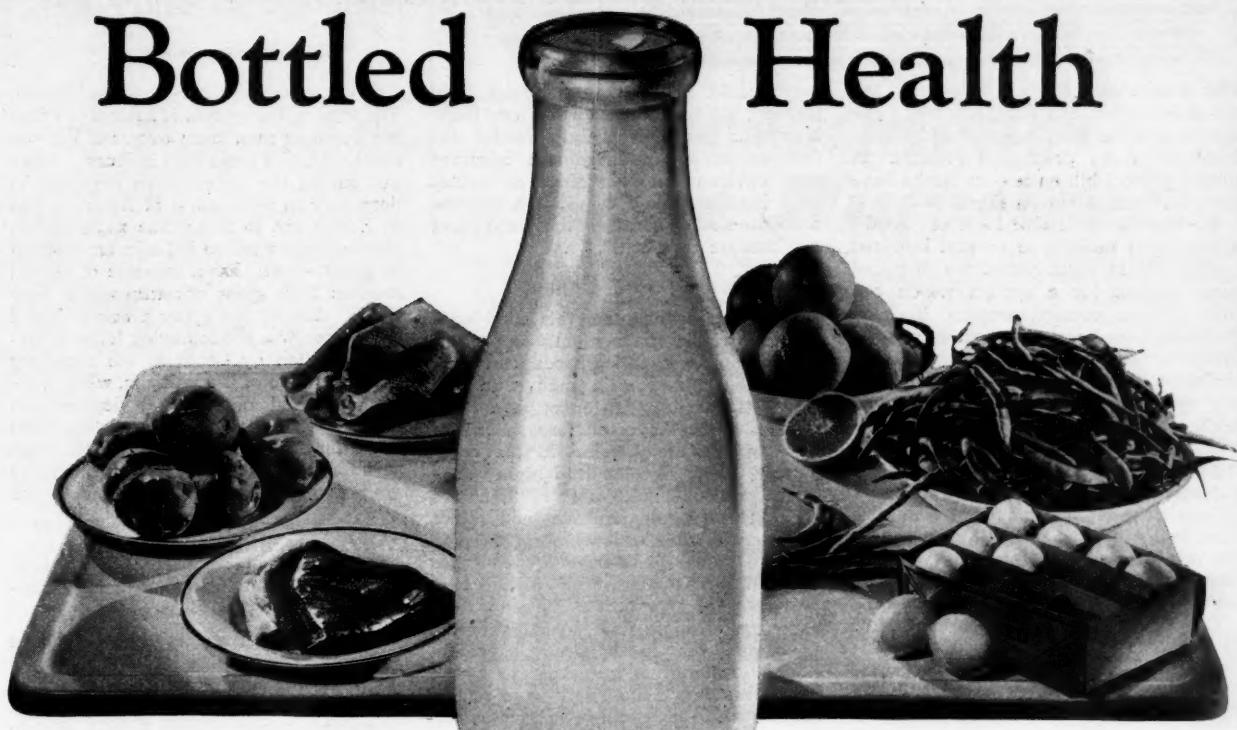
The Florida Highway Department is stressing the point that much of roadside development is strictly engineering, and Florida has begun to reshape the earthwork along her entire system. Slopes will be flattened, rounded, and covered with green. There is to be no bare earth visible between the pavement and the property line.

If the landscape director has done his work well, Nature will get the credit. The effect will (Continued on page 77)



UNDESIRABLE: The "slum" type of filling station which demands improvement. The number of signs may be limited by law.

# Bottled Health



One quart of milk supplies about the same amount of bodily energy as 9 eggs, or  $\frac{3}{4}$  lb. beefsteak, or  $\frac{4}{5}$  lb. chicken, or  $6\frac{1}{2}$  oranges, or 2 lb. potatoes, or 3 lb. string beans.

All of these foods build health and are important in the diet. The comparison merely brings out the essential part milk plays in contributing fuel or energy to the diet.

**M**ILK, as an all-round food, is one of the most essential of our everyday foods. Milk gives you much for little. In choosing your foods, be sure that milk is among the first on the list.

For health, milk is conceded to be the almost perfect food. It contains practically all the elements that the human body needs: minerals, vitamins, proteins, sugars and fats—all necessary for building a healthy body and for warding off disease.

The form in which milk is taken is not important. Some persons like it cold. Others take it when they are ready for sleep and prefer it hot. Still others like it better when it is flavored with cocoa or chocolate or used in soups, sauces or desserts.

Milk should not be regarded as a beverage; it is a food. Sip it slowly; get the flavor out of it. Don't use it merely to quench thirst, and don't drink it rapidly. The gastric juice of the stomach causes milk to curdle shortly

after you swallow it. If milk is drunk rapidly digestion is likely to be slow and difficult.

Children especially need plenty of milk. Rest has no charm for them. No healthy child will stay parked while awake. He waits a minute or two perhaps, and then he is an acrobat again. An active, growing child must have fuel and building material for his body. Give him good, fresh milk—a quart a day if you can. And give the grown-ups a pint a day. For underweights and convalescents, a quart. For expectant or nursing mothers, a quart.

Milk has unsurpassed food value. To take milk regularly is the surest and easiest way of making certain that you give your body the variety of food materials it needs to keep you in good physical condition.

To know milk as you should know it, ask for a free copy of the Metropolitan booklet "Milk—An All-Round Food." Address Booklet Department 1034 V.



**METROPOLITAN LIFE INSURANCE COMPANY**  
FREDERICK H. ECKER, PRESIDENT

ONE MADISON AVE., NEW YORK, N. Y.

© 1934 M.L.I.C.

OCTOBER, 1934

## A Clergyman Looks in on Russia

Continued from page 63

Five-Year Plan. None in Russia are too old to go to school. Children love their school, and the working-man and working-woman are prodigious readers. In fifteen years 5 billion serious books have been distributed among them.

Visiting the collective farm of "Trud", grown from nothing to several hundred households in eight years, we acquired some respect for a system which can take a poor peasant woman, Eudoxia Pazukhina, and make her an intelligent upbuilder of a successful industrial experiment. In 1927 she could neither read nor write. She says: "I spent the whole winter learning to read and write. It was very difficult. I used to get dizzy trying to decipher the letters. But I succeeded; in the spring I was already able to write reports about our collective farm to the district executive committee—Lord only knows how poorly it was written, but they made it out, they read it."

Only a few winters have since come and gone. Yet with a neighbor's aid, Eudoxia, who still calls herself "a semi-literate peasant woman", has produced a little book on the collective farm which may have a lasting place among human documents—in a land where in five years 200,000 large collective farms and 5,000 state farms with tractors and threshing machines took the place of 14,000,000 petty peasant households which for ages had scratched the soil with wooden ploughs and harrows.

### In a Russian Factory

Education is a chief keynote of factory life. One factory, which some of us visited on occasion when we could not possibly have been expected, was in essentials educational. We found 7,890 workers, all happy at their task, listening at intervals to the radio which as they worked brought them lectures on government, economics, and homekeeping. Every hour there was a ten minutes' interval for rest. Luncheon, better than most of us have at home, was served for an almost nominal sum. Mothers were given a half-hour morning and afternoon to look after their babies, cared for by expert nurses in the factory nursery or creche. Though wages are not high, according to our standard, the cost of living is so low and the certainty of work for every one so indisputable that worry in this factory, as in others, finds none poor enough to do it reverence. It is all educational, made more emphatic by the haste of even the aged to hurry home from a six- or seven-hour day to have the evening meal on time and then to study serious subjects far into the night.

Education takes into full account the so-called criminal classes. Russians call them "little brothers who have gone wrong". We spent a day at Bolshevo, which has a record of almost 90 per cent of its convicted criminals restored to moral and industrial usefulness. We saw no bars, no fences, no arms, no signs of punishment. Any of the 3,180 there—including 250 women—who wanted to

leave could go when and where they pleased; but they could never come back. Except in cases of obvious mental defectiveness, the management assumed that environment, hardship, or actual suffering accentuated temptation, and the unfortunate fall because "they must, and not because they will".

### Dealing with Criminals

This trusting attitude, this confidence in the intrinsic worth of human nature, reached out to so-called hardened criminals. We talked with men who had served time more than once; yet on admission to Bolshevo, all have a chance to earn full membership in the community, many develop into highly successful workers, and most of them are seriously trying to improve their minds and morals. One with whom I talked in his own home—for Bolshevo encourages marrying and homemaking—had in four years become an expert at the piano, and played his Chopin with such distinction as to make him appear almost a professional. Another is preparing to be an orchestra conductor. There were others, too, who with us would be classed among the hopelessly hardened. "But"—as is said on good authority—"throughout the Union a diversified system of labor-corrective institutions has been developed consisting mainly of industrial and farm colonies, where those who have never previously had an opportunity to acquire habits of application and industry may learn under suitable conditions and on a rational, self-supporting basis. Here they engage in social and industrial activities on a broad scale, and are taught through the healthful influence of fruitful labor to become useful members of society, and are thus restored to the ranks of normal industry."

The supreme interest of Russia is the care of children. There is nothing like it elsewhere in the world. It suggests Plato's Utopia. It begins before the child is born and lasts all through life—all the way along providing employment, insuring against illness and old age, and thus eliminating fear and care from the average life.

### Absence of Graft

An American may object to certain things he sees in Russia, the limits set to freedom of speech and of the press, the espionage reported to surround the visitor as well as citizen, the disbelief in God. But the new Russia is only a few years old. She is today more impressionable to good than many Christian lands. If she has been harsh with her Kulaks, our record with our Indians has matched it; and instead of a collective ideal to guide us, we have merely had a greed for land. Give Russia a few more years—one eminent Russian wants only 10 to 15—and at her present rate of progress not only will there continue to be work for all but—as some of the leaders confidently believe—the Russian standard of living may become the highest in the world.

Graft receives short shrift in Russia. The urge of the system is against it. One big business man from overseas has recently closed a large deal in Russia without paying the commissions regarded as necessary in some parts of America, but in Russia apt to jeopardize negotiations. Service comes before big salaries high up in government. Even increase of official salaries finds scant encouragement over there. Among the many precious bits I discovered was the following letter of rebuke written by Lenin to the secretary of the Council of Commissars, when during a period of financial depreciation there was a desire to increase somewhat the salary of their national leader from perhaps a modest \$250 a month to a living wage which Lenin had procured for others:

"To the Secretary of the Council of People's Commissars, Nikolai Petrovich Gorbunov.

"In view of the fact that you have failed to comply with my persistent request to explain the grounds for raising my salary from 500 rubles to 800 rubles a month, as from March 1, 1918, and in view of the obvious unlawfulness of such a rise, ordered by you on your own initiative and upon agreement with the Chief Clerk to the Council, V. D. Bonch-Bruevich, in direct violation of the decree of the Council of People's Commissars, dated November 23, 1917, I hereby strictly reprimand you.

"Chairman of the Council of People's Commissars,

"V. I. ULYANOV-LENIN."

As one of our party, Burris Jenkins, writes—Russia is "teaching her young strength, courage, and vigor, while we are teaching ours the love of money. All the children from eight to sixteen in the Soviet republic belong to the Pioneers. These little people may not smoke, drink, nor pet the girls, and remain in good standing in their organization. No full grown Communist can do any of these things to excess and hold his place in the party."

With such seasoned observers as W. H. Chamberlin charging the faults of Soviet Russia to a fanatical righteousness, with Walter Duranty certain of its ultimate success, and with Will Durant predicting that out of this heroic enterprise many things worth while will come to the human race, even I dare expect the best and not the worst.

After breaking with the Greek Orthodox church because it was a bulwark of czarism, Russia seems so fast to be developing a real human brotherhood under the name of social justice that we Christian nations may one day find ourselves obliged to learn anew at Russia's feet the deeper meaning of the social teachings of Jesus. When we have learned them and given full proof of our knowledge, perhaps we shall be qualified to bring to Russia the message of the God whom we call Love.

## The Pulse of Business

Continued from page 53

monetary forces is shared by many economists today and is by no means original. The theory is simply stated by the English economist as follows:

"If the amount of money in a country, which is all owned by somebody, keeps stable, while trade and prices fall to say half their former scale, people, on an average, will—other things equal—be hoarding half the total money in existence. The hoarded half will be redundant from the point of view of real business. . . . The result is that, if the redundant part were once more spent with its normal velocity, owing, say, to people no longer expecting prices to go on falling, increased buying would take place from the shops, general trade would improve, inventories would decline, and prices would then tend to rise. Latent redundancy of money in fact, by leading to an increased velocity, would also increase the velocity of goods, and this, by lowering stocks, would tend to raise prices.

"Conversely—and we are still considering the question of redundancy—if the bank balances of everybody in the country were suddenly doubled, a similar redundancy of money would occur. The owners of the extra money would naturally desire to put it to some profitable use. They would thus tend to buy either income-giving securities or, alternatively, to buy commodities which would give them some physical satisfaction. This, again, would mean increased buying from the shops, a fall in inventories, a rise in prices, replacement orders to producers, and an improvement in trade."

To put it in more simple terms, "if you go on pumping money into people's pockets and passbooks, the result will eventually be felt in the shops."

### Confusion of the Theorists

Major Angas commits the error of so many theorists in that he confounds simultaneous phenomena as cause and effect. The supply of money, using that term in the broad sense to represent the sum of currency in circulation plus bank deposits subject to check, the whole multiplied by the rate at which money turns over, declines when business drops, rises during periods of recovery, and touches peaks during periods of business and speculative exuberance.

It is not necessary to be dogmatic to suggest the fallacy in the monetary theory of depressions. Suffice it to say that there are economists of far greater authority than the English major who hold that changes in the supply of money are the consequence of more fundamental changes in business. Probably the best known of these today is Professor O. M. W. Sprague of Harvard, who like so many other able advisers of the chief executive was forced to relinquish his position when no longer able to discern a "consistent underlying theme" in the New Deal compatible with established economic principles. While money at times may be an active contributing

## Investments Gone Haywire?

- Do you think the preference stock of the Atlas Corporation a good buy? Also let me have your analyses of Columbia Gas & Electric, and of General Electric.
- Is the Douglas Shoe Company under competent management since its recent reorganization? Would you advise additional purchases of the 7% preferred stock? Do you think the stock will advance with improving business conditions?
- Do you advise retaining Cities Service and Packard holdings, or switching to other stocks? Since Westinghouse Electric is so largely dependent on orders from public utilities, would you not advise disposing of it? Do you approve of buying Borden Company and Purity Bakeries at this time?
- I have 100 shares of Southern Pacific bought at 20 $\frac{1}{8}$ . Is it likely to reach that figure again soon? What are its dividend possibilities? Do you advise holding?
- Is Standard Brands a holding company or an active manufacturing company, and what are its various products? I am considering a switch to it from Cities Service Preferred. Is this a good time to do it? Is the small dividend of Standard Brands likely to be increased? I am told the company is controlled by J. P. Morgan & Co. Is this now considered to its discredit?

★ THE ABOVE are typical inquiries recently received from subscribers.

★ ARE YOU hanging on to investments which may never again reach the prices you paid for them? The sensible thing to do is to switch to stocks of about the same present value which possess better prospects of appreciation. But don't buy without investigating. Many weaklings are unloaded under cover of good news.

★ FEW ARE qualified by experience and observation to rely on their own judgment. Few have the facts, figures, knowledge of conditions, acquaintance with corporation officials; the necessary information on more than one company, if that. Yet there are men in the world's financial districts who have made a profession of gathering this knowledge. To such a man, an investment counsellor of unquestioned integrity, the "Review of Reviews" turned when besieged with requests from readers for investment information. So numerous have these requests become that it is felt that a genuine public service may be done by calling attention more widely to this source of unbiased investment advice.

### Impartial Investment Counsel

★ PLEASE remember that the "Review of Reviews" is not in the business of selling investment advice, but is sincerely interested in serving its readers in the fullest measure. The investment counsellor we have retained was for ten years the financial editor of a leading national magazine. He spent five years with a New York investment house. His time and knowledge are now at the service of our readers. A nominal charge is necessary. We trust you will take advantage of this service as have so many of our readers.

**Clip  
and  
mail  
today**

INVESTMENT SERVICE, REVIEW OF REVIEWS  
233 Fourth Ave., New York

Enclosed find \$... (\$2 for the first security, \$1 for each thereafter) to cover investment analyses on securities which I am listing below or on separate sheet, together with questions which I wish specifically answered.

Name.....

Address.....

RR 10-34

# GENERAL BUSINESS INDICES

## FINANCIAL

	AUGUST, 1934		JULY, 1934		JUNE, 1934		AUGUST, 1933		AUGUST, 1932	
	Data	Index								
Bond Sales—N. Y. Stock Exch.	\$316,500,000	149	\$264,600,000	105	\$267,100,000	89	\$216,100,000	102	\$344,500,000	163
Stock Sales—N. Y. Stock Exch. (number of shares)	16,693,000	17	21,113,000	21	16,802,000	17	42,470,000	43	82,600,000	84
Corp. Div. and Int. Payments	Not available		Not available		Not available		\$350,000,000	93	\$392,000,000	105
New Corporate Security Issues	\$8,019,000	2	\$20,279,000	4	\$9,420,000	2	\$14,050,000	4	\$133,000,000	26
Money Rates in New York City	.94%	20	.94%	20	.94%	20	1.06%	23	1.59%	34
Bank Debits in New York City	\$12,285,000,000	45	\$13,842,000,000	48	\$15,388,000,000	49	\$13,054,000,000	52	\$13,458,000,000	58
Rate of Circulation of Bank Deposits in New York City	1.79	43	2.02	45	2.23	44	2.21	53	2.33	56

## Index of FINANCIAL ACTIVITY

	30.6		31.4		29.6		43.0		61.2
--	------	--	------	--	------	--	------	--	------

## DISTRIBUTION

Magazine Advertising (Agate Lines)	1,683,000	67	2,078,000	73	2,513,000	69	1,315,000	52	928,000	53
Newspaper Advertising (Lines)	87,692,000	67	83,183,000	69	103,646,000	69	86,339,000	66	78,839,000	61
Foreign Trade	Not available		\$289,000,000	60	\$307,000,000	61	\$286,000,000	62	\$200,000,000	47
Merchandise Carloadings (Weekly Average)	383,000	66	372,000	67	401,000	70	391,000	67	355,000	61
Department Store Sales (Federal Reserve Index)	79	82	*73	*76	74	78	77	84	66	75
Bank Debits Outside N. Y. City	\$13,421,000,000	58	\$13,910,000,000	57	\$14,754,000,000	60	\$14,068,000,000	68	\$11,756,000,000	63
Rate of Circulation of Bank Deposits Outside New York City	1.28	76	1.34	76	1.45	79	1.56	94	1.11	67

## Index of DISTRIBUTION

	70.2		*68.0		70.0		75.7		62.7
--	------	--	-------	--	------	--	------	--	------

## PRODUCTION

Steel Ingot Production (Capacity)	22.93%	31	26.75%	38	52.68%	71	49.42%	67	14%	19
Pig Iron Production (Average Daily Tons)	34,012	41	39,510	47	64,338	72	59,100	71	17,200	20
Domestic Cotton Consumption (Running Bales)	415,000	90	355,000	83	390,000	84	607,000	131	402,600	87
Total Construction Contracts	\$120,300,000	32	\$119,700,000	32	\$127,100,000	28	\$106,000,000	33	\$134,000,000	46
Electric Power Production (Kw. Hours Aver. Daily)	253,000,000	74	243,000,000	73	250,000,000	73	252,000,000	77	217,400,000	72
U. S. Automobile Production	**235,000	67	*266,575	*81	308,051	80	212,200	61	90,300	26
Commodity Carloadings (Average Weekly)	222,000	59	213,000	61	215,000	62	243,000	65	170,000	45
Crude Oil Production (Barrels)	76,632,000	97	79,670,000	100	77,700,000	101	84,940,000	107	66,220,000	84
Bituminous Coal Production (Tons)	28,384,000	70	25,008,000	69	26,803,000	74	33,850,000	84	22,500,000	56
Portland Cement Production (Capacity)	Not available		35.7%	42	39.8%	47	35.9%	41	34.2%	39
Boot and Shoe Production (Pairs)	Nct available		28,061,000	98	27,783,000	96	36,900,000	114	30,800,000	96
Index of PRODUCTION		55.3		*60.4		*63.8		65.9		51.7

## INDEX OF GENERAL BUSINESS

55.4	.....	*58.1	.....	*60.2	.....	64.2	.....	56.2
------	-------	-------	-------	-------	-------	------	-------	------

\*\*Estimated

\*Revised

cause to changes in business, this is not uniformly the case. Very often changes in bank deposits and money in circulation have the same relation to business changes as the mercury in a thermometer has to the temperature.

### Plenty of Money, But No Business

In this connection the federal government is now having an experience which we commend to the attention of the Major. In a formal message the President advised the last session of Congress that business was not able to obtain adequate credit through regular banking channels, and that two federal agencies—the R.F.C. and the Federal Reserve Banks—needed 700 million dollars to satisfy the legitimate requirements of business. Congress obligingly placed 580 million dollars at the disposal of those two agencies.

To date the R.F.C. has authorized advances of \$9,149,000 and the Federal Reserve Banks \$6,397,000. The amount

actually loaned is but a small fraction of these approved aggregates. The Treasury has just borrowed Dr. Charles O. Hardy from the Brookings Institution and dispatched him to Chicago to make case studies of applications for loans. With all this money available, why can it not go places? We are awaiting Dr. Hardy's return and will tell you the story in the *Weekly Message*.

### Economics as a Science

There are two difficulties with economists of the Major Angas type. They take themselves so seriously that they exclude any evidence which might impair their haruspical conclusions. In the second place, they exalt economics to the position of a science.

Business cycles have been with us so long and have been responsible for so much distress that they have engaged the attention of the ablest students and provoked endless speculation regarding their nature and causes. The most sig-

nificant characteristic of the vast literature on the subject is its lack of agreement.

To many of these students weather offers an adequate explanation of the cycle. In 1880 an Englishman, Sir William Herschel, thought that business fluctuations were due to sun spots. A hundred and thirteen years later an American, Professor Henry L. Moore, announced an harmonic analysis of rainfall. He developed coefficients of correlation—which were difficult to refute—tossed pig iron production, wholesale prices and crop yields per acre into his statistical crucible, and produced a "law" which showed cycles of 8 and 33 years duration. Extending his observations into stellar firmament, he found that Venus came into the path of the earth's solar radiations every eight years. This affects the flow of electrons from the sun, disturbs the earth's magnetism, which causes the elements to go off on a bat, and thus we have a business cycle. At

this point Professor Moore chose to rest his case.

#### Other Theories

Dr. C. O. Hardy in his *Risk and Risk Bearing* finds that uncertainty causes alternating over-production and under-production. The explanation is carried somewhat further by Professor Pigou, who adds excesses of optimism and pessimism as factors in the cycle. Professor Schumpeter holds that the cycle is the result of the innovations and experiments of a small number of active intelligent business leaders at the top. These are the fermenting agents, so to speak, in the business dough and are responsible for economic progress. These analyses can be expanded without end. The point we make here is that any student who selects one possible cause among thousands and says "this is the true and only cause" suffers from a species of conceit.

#### Precise and Certain as Human Nature

The multiplicity of explanations for our recurrent fluctuations of business *ipso facto* explodes the scientific pretensions of economics and economists. Economics is altogether too human to admit any cold formation of "laws" to which all phenomena may be reconciled. The subject is as complicated as human nature itself, whose mutations and permutations are infinite in variety and number. At best any forecast of the future must be limited, subject to broad margins of error and to change on short notice. When Mr. Morgenthau, in explaining the silver policy of the Administration, added that he was operating on a twenty-four-hour basis he supplied us with a phrase and a key. "Twenty-four hours," that is about as far as any valid appraisal of the New Deal's underlying theme should extend.

#### Even So a Service

Major Angus performs a useful service for American readers even though his prophecies should not be taken any more seriously than an Edgar Wallace mystery. He gives us a reasoned, detached view of the New Deal. Unwittingly, perhaps, he demonstrates how serious is the outlook for inflation. Money is now being pumped into "people's pockets." Though the Major honestly believes that this is the prelude

and the cause of a business revival that will attain boom portions, is clear from his discussion that he has been exposed to other and less flattering views of the President's policies, viz.: "Some persons, it is true, say Mr. Roosevelt has no plan, but that he merely takes the haphazard advice of the last person he happens to meet".

Again he presents us with a statement of accomplished progress since March, 1933, all of which he attributes to the New Deal. A similar attempt by Donald Richberg on this side was greeted with brickbats from the opposition. The Major is neither Democrat nor Republican. Although he belongs to a class of economists who make more money in the sale than in the exploitation of their prophecies, it is only fair to assume that the rosy hue of the New Deal is an honest impression.

#### Space Covered and Distance to Go

On our side it forces us to examine anew the alleged progress of recovery and the distance it must go before we can say with Mr. Richberg: "The Nation has risen out of the depths of its worst depression, and is moving steadily forward in the process of a definite economic recovery . . ." To test the validity of this conclusion and measure the distance still to be traveled, two views are necessary. These we are presenting in chart form, on pages 52 and 53.

In the first of the charts we take the monthly average of 24 of the most significant statistical items for the six-months period, October, 1932, to and including March, 1933. Using this as a base, we show the improvement in percentage in each field by taking the average position for the six months March to August, 1934. This procedure avoids the selection of high and low months, under which first Richberg and then Fletcher were able to prove diametrically opposite results for the first year of the New Deal.

The second chart will take average performance in each of these 24 fields for the 13-year period 1919-1931 as a base. Most people would admit that the reattainment of such a level in any field would constitute recovery. By comparing the average for the last six months with such a recovery position, we can see how much farther progress must extend in each field before we are on the plateau of normal business.

# Investment Analyses

Analysis

for

No. 1



MOTORS

25¢

The automobile industry has been taken apart to see how it runs, from an investment point of view. The REVIEW OF REVIEWS turned a powerful searchlight on the "Motors" in its August issue. The result is a complete, factual analysis of trends within the industry and of individual earning power, dividend payments, and future prospects.

It is done in an entirely new fashion, making use of a new yardstick embracing four factors: gross earnings, net earnings, book value, and dividends. Don't take our word for its accuracy and timeliness. Here's what one man has to say:

"I want personally to compliment and congratulate you on your article 'Analyzing the Motors.' As floor manager for a branch New York Stock Exchange house, I believe I know a good piece of analyzing when I see it."

★ The August REVIEW OF REVIEWS analyzed the Motors. The September number analyzed the Railroads. This issue places the Utilities under scrutiny. Each analysis 25c (cash or stamps). Just fill in the coupon, that's all.

REVIEW OF REVIEWS RR 10-34  
233 Fourth Ave., New York

I want the August Review (Analyzing the Motors) ( )

I want the September Review (Analyzing the Railroads) ( )

Enclosed is 25c (cash or stamps) for each copy.

Name.....

Address.....

## Analyzing the Utilities

(Continued from page 61)

that have been under examination in preceding articles. It is significant when one remembers that business recovery has been under way during this past year and a half. Indeed, kilowatt hours sold to consumers last year were 3 per cent above 1932 and in the first half of 1934 were 13 per cent above the first half of 1933. More business, less profit.

The gas industry in similar fashion is proud of the fact that it gained 360,000 domestic customers in the first half of this year, and that its sales of gas ranges

were 42 per cent in excess of sales in the first half of 1933.

We have chosen to emphasize the tax burden and prospective government competition in this summary of current investment aspects of the gas and electric light and power industries. They face another problem in the rising cost of labor and materials under NRA. Coal in vast quantities enters into the production of both manufactured gas and electric energy; and the rise in fuel costs is too well known to dwell upon here.

## • TRAVEL DEPARTMENT •



Photograph by J. Albert Bogart, from R. I. Nesmith & Associates

AUTO TOURISTS IN THE YOSEMITE NATIONAL PARK

### In Search of Sunshine



CALIFORNIA toots its own horn loudly as a vacation state—and with reason. It has variety of climates, sports, amusements and natural beauty. Here are a few tips for travelers not to be found in the guidebooks.

ONE of the most disconcerting things about life today is that when a native Californian starts blowing about the glories of the golden state, one has to admit that there is a good deal of truth in what he says.

A native Californian, according to the familiar definition, is anyone who has spent two weeks or more within the state. One of our editorial associates once spent three months in Hollywood writing dialogue for the movies, and there has been no peace in the office since. Just mention Malibu Beach, Catalina Island, or the Brown Derby restaurant and there is no stopping him this side of 42nd Street.

It is a disheartening fact, especially to Floridians, that these misguided folk from the West Coast cannot be dismissed as 100 per cent Munchausens when they start to pop off on what California offers visitors winter or summer. Enthusiasts for other states can only endure in ominous silence . . . or else go to California and be done with it.

This writer has seen quite a few high

spots during two visits to the Coast. Being essentially a reporter and not a great creative artist (we like to get paid for what we write) we took down a few notes to refresh the memory. Just a few travel tips; nothing more, nothing less. The notes were never intended to be for the Great American Novel, so the reader has nothing to fear.

There are any number of convenient and fast means of travel to the west coast these days. One can go by train, by boat, by bus, or like the man in the song, fly through the air with the greatest of ease. The deciding factors are time and money. R. H. Macy & Company says, "It's smart to be thrifty", and this applies to travel as well as buying shoes and shirts. Our first trip was made by boat, from New York to Havana, to New Orleans and then on to Los Angeles and San Francisco. If you have the time, it's an ideal way to spend two weeks afloat. A writer of our acquaintance always insists on returning to New York from Los Angeles by boat. It helps him put his nerves together

again after slaving (at \$200 a week) for the movie moguls of Hollywood.

The California climate is best described as the great what-is-it? There is no one California climate; there are several. California has the highest and lowest land in the United States and the greatest variety of temperature and rainfall. Death Valley is the hottest and driest place on earth, though other places occasionally surpass it in the extremes. If one goes to the mountains there is snow and ice. If one likes mountain air as well as mountain music, one can get it. There is a variety of snow sports for those who like them. But the most of the state has a mild, even temperature which does not vary much from winter to summer. The summer heat, especially in the south, is tempered by low humidity. There is a rainy season and a dry season, and no real winter and summer. Natives say it's perfect all the time—which it isn't.

The best way to climb mountains is by automobile. Last month this writer climbed a 3,500 feet peak in Maine and thought that was doing well for a city boy. Local guides, however, turned up their noses at this tremendous feat and said it was a job for the small fry. However, it was felt by the party, made up principally of editors, that the climb would last everyone for some years to come. Wasn't the view from the camp



Ruins of the cathedral of San Francisco at Antigua, built by the Spanish during their conquest of Guatemala.

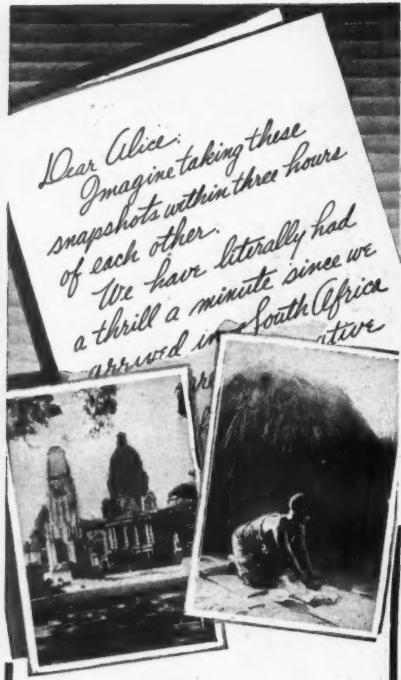


On board  
a new  
GRACE liner

OCTOBER, 1934

ONLY GRACE Cruises between New York and California visit these fascinating spots of 16th Century America: Cartagena and its ancient fortress; Old Panama—sacked by Morgan the buccaneer; El Salvador; the ancient ruins of Antigua, Guatemala, and romantic Mexico. Cruise luxuriously in 20th Century comfort on a famous new GRACE "Santa" liner; all outside rooms with private bath; dining room on cool, breeze-swept "top-deck," open to the sky; largest outdoor tiled pool on any American ship; pre-release "talkies;" Dorothy Gray beauty salon...See your Travel Agent or GRACE Line: 10 Hanover Sq., New York; 230 N. Michigan Ave., Chicago; 2 Pine St., San Francisco; 525 West 6th St., Los Angeles.





CHARMING modern Durban and the primitive kraal life of Zululand . . . the matchless spectacle of Victoria Falls—the mysterious Zimbabwe Ruins . . . the glamorous Gold Reef at Johannesburg—the big game of Kruger National Park—

Such colorful contrasts and many others await you in South Africa, and you visit them all under ideal conditions of climate, comfortable transportation, and moderate costs.

Write to or call at the offices listed below for information and literature describing this fascinating travel land, where an enterprising white civilization is growing amid the age-old forces of native superstitions and tribal customs.

Come to

# SOUTH AFRICA

*Land of Colorful Contrast*

For full information address  
THOS. COOK & SON-WAGONS-LITS, Inc., 587  
Fifth Avenue, New York, N. Y.  
or AMERICAN EXPRESS COMPANY, 65 Broadway,  
New York, N. Y.  
or any office of Thos. Cook & Son-Wagons-Lits, Inc.  
or of the American Express Company.

to the peak just as good as the view from the peak to the camp? Mountain climbing should be left to Swiss yodelers and bell-ringers who are born to it.

For the indefatigables, though, California has much to offer, whether one does the climbing by automobile or by foot. One can usually do both, riding part of the way up and climbing the rest with hand, foot and fingernail. Mount Whitney, not too far from San Francisco stands some 14,500 feet. Mount Howe near Los Angeles is no easy climb. Mount Shasta, to the north rears itself some 14,000 feet into the air, and countless lesser peaks challenge the sturdy-legged. Two mountain ranges and a part of a third break the surface.

California has the longest coastline of any state. From Mexico to Canada is about 1,500 miles and 1,000 miles of this distance is California coastline. There are eastern beaches in the summer time which appear to us to be just as good as the Californian beaches. Jones Beach near New York, Virginia Beach in Virginia, and a dozen others, but on the west coast the season is much longer.

In this writer's fourth grade geography there was a picture of an old-fashioned carriage being driven through a cut in the base of a giant redwood tree. We went through a few years ago in one of Mr. Ford's model T cars. The most recent postcard to come to our attention showed a 1934 roadster being driven through the same tree, so the old place hasn't changed much. The guidebooks said, if we remember correctly, that these trees were 1,500 years old when Caesar was chasing the Gauls around Europe. There is really no more inspiring sight anywhere than these lofty redwood or sequoia trees, with their branches hundreds of feet in the air.

Next to the trees the most inspiring things in California are the missions. In the middle of the 18th century the order of St. Francis established 21 missions along the California coast from San Diego to San Francisco. The entire undertaking was in charge of the immortal Junipero Serra, who established the first mission in 1769. They were built of stone and brick, and the labor involved was appalling. Rafters were brought on men's shoulders from the mountains. Many of the missions are still to be seen; some are in good condition, others in ruins. Either way, they cannot be passed by.

Naturally, anyone who visits a certain part of the country carries away pleasant memories of places seen and things done. Here are a few which remain fresh in our memory after two visits to California: A walk through an orange grove on a frosty night, the smudge fires glowing . . . the cloistered calm of the Huntington Memorial Library . . . Yosemite Falls at sundown . . . Santa Barbara Mission . . . the aviaries on Catalina Island . . . the Pony Express museum in Pasadena . . . looking down on San Francisco at night from Telegraph Hill. Rome had seven hills; San Francisco has fourteen, but what the moral is, we don't know. We do know that San Francisco is, as the globe trotters say, a truly cosmopolitan city.

—JO CHAMBERLIN



## When in New York Come to Essex House

New York's outstanding hotel —facing Central Park with its miles of bridle paths and country estate vistas . . . where transportation facilities are unequalled and the shopping, business and amusement centers are but a step away . . . where modern suites include housekeeping kitchenettes and 4-burner gas ranges and Electrolux refrigeration . . . where complete hotel service eliminates the servant problem . . . where the rentals are still in your favor.

Transient business solicited.

**Essex House**  
160 CENTRAL PARK SOUTH  
NEW YORK

Albert Luvwaeter, MANAGER

## Do You Like Your Job?

If not, the chances are you are a square peg in a round hole. Now is the time to get out and find the job you have always wanted. The way is clearly shown by

**THE RIGHT JOB**  
by K. M. H. Blackford, M.D.  
only \$1.00

REVIEW OF REVIEWS CORP.  
233 Fourth Ave., New York City  
Send me "The Right Job" in two cloth bound volumes for the price of \$1.00.  
R.R. 10-34

Name . . .  
Address . . .

## Short Rations for Ship Owners

Continued from page 37

The Shipping Board has loaned money at lower than ordinary rates, advancing up to June 30, 1933, some \$147,000,000, of which \$16,000,000 had been repaid. Another form of government help may be found in the fact that coastwise and intercoastal shipping is restricted by law to American shippers, including Alaska, Puerto Rico, and Hawaii. Furthermore, huge sums are spent annually in river and harbor improvement. Such is the extent of the aid given our shipping men. It is unfortunate that as soon as government help is withdrawn, our merchant fleet seems to drift into shoal water. In 1931 and 1932 our shipbuilding program was second only to Great Britain's; in 1933 we are down to tenth place on Lloyd's Register of new vessels, considerably below Denmark and Spain. It is an all-time American low.

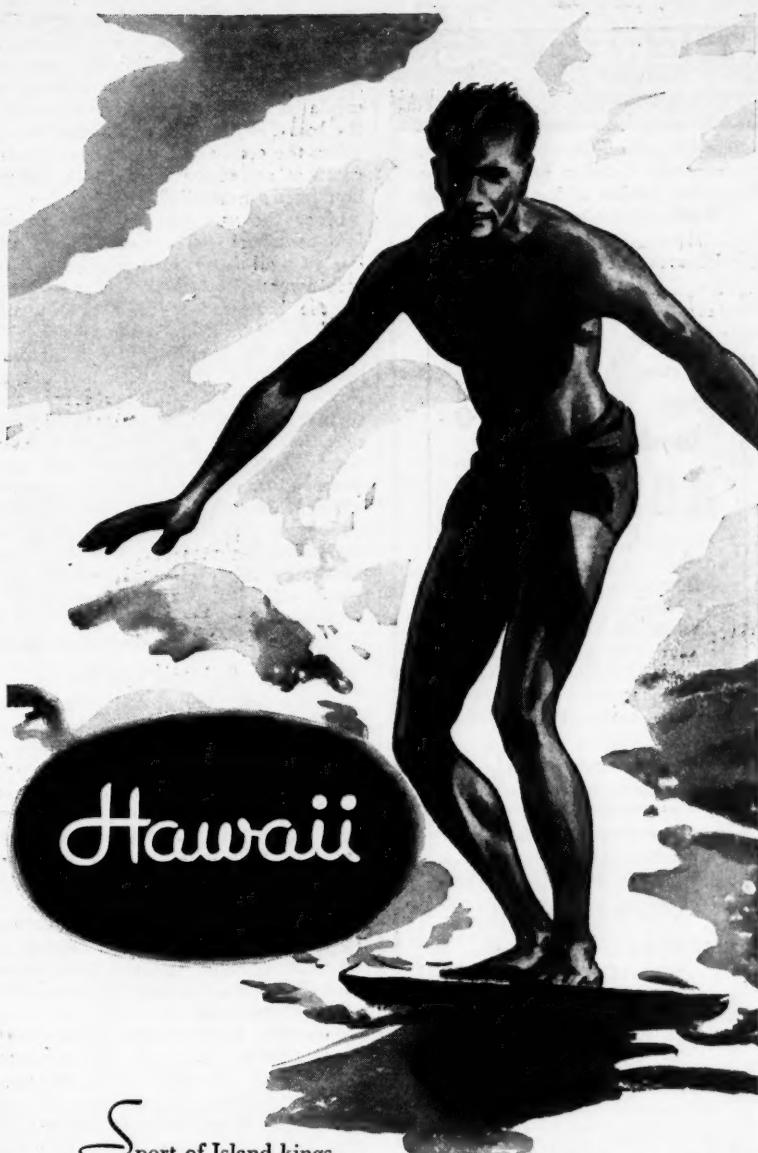
Other governments as well are digging down in their pockets these days, although no nation seems to have been as generous as we have—if generous is the word. Other governments are entering the international competition. The money they spend make the *Rainbow* and the *Endeavour* seem inexpensive toys. A country's prestige has become more important than profits.

### Il Duce Harangues the Crowd

Mussolini has long dreamed of empire and he has seen to it that the Italian merchant marine is supported with state funds. Almost as often as he demands more and better babies, does he call for more ships on the seas. Shipping has been supported with contract services, with bounties on the use of domestic shipping materials, and with grants for ship hulls which can mount 6-inch guns—*just in case*, you understand. It is estimated by Jesse E. Saugstad that Italian government appropriations in 1927 to 1932 averaged over \$14,000,000 annually, with the trend apparently upward. The new super-liners *Rex* and *Conte di Savoia* have entered the North Atlantic trade with enviable results—so much so that the French *Normandie* and the English "534" will try to take some of the profit away.

A latecomer, Japan is pushing the leaders hard. Since 1914 her merchant fleet has increased 250 per cent. Mail subsidies and contract services have been granted for over forty years, along with construction bounties and cheap credit. In 1930 a fund of 30,000,000 yen was established to lend on new, fast boats, and in 1932 the government agreed to subsidize shipping concerns replacing scrapped ships to the tune of 11,000,000 yen. Japan, like England, is well situated geographically and economically to carry on a maritime trade. She will be an increasing force to be reckoned with.

France has long supported shipping with contracts for specified services and, off and on, with construction grants. From 1923 to 1931 about \$41,000,000 was expended annually, according to Saugstad. In 1932 the government dictated



Sport of Island kings... found *only* in Hawaii. Many other things found *only* in Hawaii. Plus what other play places have to offer such as golf, hiking, game fishing—dude ranching.

So "Hawaii" and "Waikiki" are on every tongue when there's talk of travel. No other names sum up so completely the world's desires when going vacationing. And that explains the year's trend toward the mid-Pacific.

That and some other facts. Transcontinental rail fares reduced, assurance of 100 cents for each American dollar, even a bonus through the exchange to visitors from other lands... and perfect spring weather that remains constant every month of the year.

So it's *thrifitly* as well as *pleasantly* smart to sail to America's world-famous islands, *only a five-day trip* from San Francisco, Los Angeles, or Vancouver. Thrifitly summed up in the low cost. One way First Class as low as \$110. Cabin Class, \$75.

A richly paying investment in the prodigal hospitality of Hawaii that extends to its four lovely isles... Oahu, Hawaii, Maui, and Kauai.

Go to your travel agent. Learn other amazing facts about this amazing Hawaii... and about the low cost of living there. *Make it a point to secure a free, new booklet,\* "Nearby Hawaii", full of interesting data on the Islands. Or kindly write to*

### HAWAII TOURIST BUREAU

211 Market Street, San Francisco  
246 Pet. Sec. Bldg., Los Angeles

A community organization with headquarters in Honolulu, for the dissemination of free, authoritative information about the entire Territory of Hawaii, U.S.A.

*Please note that Hawaii is an integral part of the United States, not an island "possession".*

\*For a larger book, copiously colored, with maps and pictures... send 10¢ to cover mailing costs.



# WHERE-TO-GO

Hotel, Resort, and Travel Department  
1906 - Every Month in 7 Magazines - 1934

Atlantic Monthly, Current History, The Forum, The Golden Book, Harper's Magazine, Review of Reviews - World's Work and Scribner's Magazine

For space and rates write to  
The Where-to-go Bureau, 8 Beacon Street  
Boston, Mass.

## TRAVEL

**5** EXCITING  
DAYS TO

## HONOLULU

For speed...go *Empress of Japan* or *Empress of Canada*. For a more leisurely trip, go on the *Aorangi* or *Niagara* of the Canadian Australasian Line. From Vancouver or Victoria, First, Cabin, Tourist, Third Class. Details, from your own travel agent or any Canadian Pacific office.

**Canadian Pacific**

Consult your phonebook for offices in principal cities.

## STATENDAM CRUISE

Travel by a famous Service

### MEDITERRANEAN PALESTINE-Egypt

Sailing from New York FEB. 7 visiting 25 ports in 16 countries 58 days; over 15,400 fascinating miles

FIRST CLASS \$625. up

TOURIST CLASS \$340. up

Full details from Your Local Agent or

American Express Company

Frank C. Clark or

### HOLLAND-AMERICA LINE

Offices in all principal cities.

### EL PASO TEXAS

Travel in Comfort the Trails of the Conquistadores

METROPOLITAN EL PASO, under sunlit skies, as a winter recreational center offers the sights of the great Southwest: Carlsbad Caverns National Park, White Sands, pine-clad mountains, and the romantic Rio Grande, border-line of Mexico, land of enchantment. Juarez, largest Mexican border city, is just across from El Paso; its sights are quaint and interesting. Stop off for a day, a week, or a month this winter. Up to date hotels and other accommodations at reasonable rates...

El Paso Gateway Club

301 San Francisco Street, El Paso, Texas  
Write for literature on El Paso and its hotels

**El Paso**  
TEXAS

*"In the Land of Sunshine"*

October Where-To-Go is concluded on page 78

the reorganization of the Compagnie Générale Transatlantique, provided working capital, and in the following year subscribed for 110 of 150 million francs new capitalization. It gained a majority of the board of directors and agreed to subsidize the company for the next fourteen years at anywhere from 50 to 150 million francs annually.

Since the war Germany has made a fine comeback. The government, until lately, paid little in subsidies. It did help owners replace the ships destroyed on the high seas or lost at Versailles with credit of 700,000,000 marks. Two years ago the government had a hand in the merger of Hamburg-American and North German-Lloyd. It guaranteed those companies huge loans and gained representation on the new board of directors. Some 12,000,000 marks were put up to scrap old vessels and replace them with efficient new ones. In 1933, 20,000,000 marks was put up to help pay crews and navigation bounties. Part of this money should be fairly charged to unemployment relief. It is said that Hitler is anxious to increase these subsidies in the future, for he, too, has dreams of empire.

### John Bull and His Boats

With a few exceptions, Great Britain has not subsidized her shipping. She has not had to—yet. Mail, for example, is carried on the basis of cost-of-service. In the construction of the *Lusitania* and the *Mauretania*, however, the government agreed in 1903 to lend the Cunard company \$12,623,000 at low rates and promised an annual subsidy in future. England then wanted to regain her supremacy in the super-liner class from the Germans on the North Atlantic, and did in 1908. She held the speed record until 1929 when the *Bremen* took it back to the Fatherland.

When the *Bremen* and *Europa* began crossing with full holds and passenger lists in 1929 and 1930, John Bull again forgot tradition. The famous '534' was begun in 1931 and then suspended. The government finally announced in February, 1934, that £3,000,000 would be advanced to complete the ship. Cunard had been unable to finish. Further, an additional £5,000,000 would finance a sister ship of the '534', and the newly spliced Cunard-White Star Line would be loaned working capital. Opinion in England now inclines toward the view that subsidies must be met with subsidies. England still leads, but has a smaller percentage of world business than before the war.

### Just Before the Battle

A realistic view of past efforts toward international regulation is anything but encouraging. National rivalry is here to stay and we will have to make the best of it. Governments will continue to strengthen their trade positions and keep their navies up to the next fellow. Official speeches calling for "peace" may grow louder and duller, but navies will not grow smaller. Such being the case, it becomes prudent for America to set her shipping affairs in order by organizing them on a public-policy basis.

Officials of some 33 steamship lines holding 44 contracts will endeavor to



THE "S. S. REX", Italian super-liner, built to compete with the German "Bremen" and "Europa" and like them, government subsidized.

show Postmaster Jim Farley and the big boss why their contracts should not be cancelled or modified. Notable changes in our marine policy may be expected to result from these hearings. President Roosevelt is reported to favor the substitution of direct subsidies for the mail contracts in order that the merchant marine may be supported as a necessary agent in our national economy and the navy's right arm in case of war.

It is curious that the hearings will take place just before the November elections, but it is not unlikely that when the shouting is over, the companies will get a reasonable break in the matter of direct subsidies. Mr. Roosevelt was Assistant Secretary of the Navy during the troublous years 1913-1920 and he is considered the most marine minded of any President we have had since "T. R." He has associates of long standing in the shipping industry and he has had ample opportunity to hear their tale of woe.

It goes without saying that the world shipping picture will not be greatly changed by executive fiat; the sea is too broad for that. Today there are more ships available than there are cargoes to fill them. Until economic conditions generally improve, it can scarcely be hoped that the shipping industry, which feeds on the flow of commerce, can escape the prevailing doldrums. Recently optimism has been expressed over administration efforts to establish reciprocal trade and barter agreements. There is little doubt that a loosening of barriers laid down by nationalist politics would do much to rebuild foreign trade.

Meanwhile, available business goes to the most efficient and energetic. The shipping business, like the sea itself, has always been subject to vast fluctuations. In the past those who rode out the gales usually managed to salvage their fortunes and go on to new profits. The sailing has been smoother after storms.

## The Roadside

Continued from page 66

be so natural that the average motorist will not realize that much of the beauty is due to the highway department.

The National Roadside Council has made a valuable contribution to the movement for beautiful roadsides through its Roadside Surveys. With the support of the American Nature Association these surveys have now covered ten states and three regions. The survey of the approaches to the Federal City was made with the co-operation of the American Civic Association.

### Michigan and Connecticut Lead

**M**ICHIGAN and Connecticut lead in roadside development today. Each began work about seven years ago, creating a landscape division in the highway department with subdivisions in the highway districts.

Both states have an important economic reason for making highways beautiful. Michigan is a summer playground for the entire region, with 78 per cent of her motor travel recreational. Connecticut is the corridor through which must pass the great flow of tourist traffic pouring from New York City and beyond into New England. Also, Connecticut is a residential state where property values depend largely upon the beauty of the surroundings.

Michigan has strict supervision over the use of the highways by public utility companies. Poles are granted a place on the right-of-way only when this can be done without sacrifice of the trees. Permits must be secured for all tree-trimming and cutting, with a separate permit for each tree to be cut. Skilled tree men must be used for the work. You will find few examples of tree butchery along Michigan highways.

When the National Roadside Council made its Michigan survey, the State was budgeting \$250,000 annually for roadside maintenance, including care of trees and shrubs. For each new construction job there was included in the appropriation an estimate to cover the cost of roadside improvement, tree trimming, transplanting of trees which should be saved, and the planting of additional trees and shrubs where needed. Probably two-thirds of the new highway would need no planting. In 1931 these appropriations for landscaping new jobs amounted to \$140,000, bringing the total spent on roadsides in Michigan that year up to \$390,000, a little more than 1 per cent of her total highway funds. The beauty of the state is reckoned as a sound business asset in Michigan.

The physical characteristics of Michigan and Connecticut are in sharp contrast—the one an agricultural state of great area and vast unsettled spaces; the other a residential state, small, compact, almost like a big park or a private estate, with comparatively little agricultural land left. The roadside problem differs accordingly.

Connecticut stresses two projects which are noticeable as you motor through the state: Highway Gardens and Roadside

This trip has everything! \$261.10 includes rail fare from your city to New York; voyage on a luxurious Ward Line steamer from New York via Havana to Vera Cruz (meals and berth on steamer included); rail fare from Vera Cruz to Mexico City, and from Mexico City to California on our West Coast Route via Guadalajara and Mazatlan; rail fare from California back to your starting point! Or reverse the order. Stopover anywhere. Your ticket is good for one year.

If your time is limited, you'll probably want to go to Mexico and back by rail. Low roundtrip fares are in effect, one way via the West Coast Route.

For details, see your agent or write O. P. Bartlett, Dept. X-10, 310 South Michigan Boulevard, Chicago. Specify whether you are interested in the Circle Tour, or in an all rail trip.

## Southern Pacific

### THE ONE MAGAZINE

that prints only the best regardless of when it was written. Chaucer, Boccaccio, Benjamin Franklin and Theodore Dreiser all appear in the October issue.

### THE GOLDEN BOOK TRIAL OFFER

6 Months—\$1.00

REVIEW OF REVIEWS CORP.,  
233 Fourth Ave., New York.

Included find \$1.00 for a six months' subscription to the GOLDEN BOOK.  
RR 10-34

Name.....

Address.....



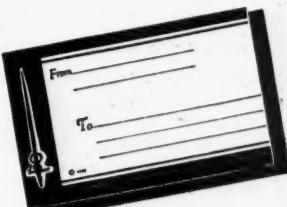
### The 'Little Red'

In this one-room cottage at Saranac Lake, N. Y., called "Little Red," the modern treatment of tuberculosis began in 1885 because Dr. E. L. Trudeau discovered the value of rest in curing tuberculosis. Progress has been made in the fight against tuberculosis, but it still kills more persons between 15 and 45 than any other disease. Help conquer it by using Christmas Seals on your holiday letters and packages.



The National, State and Local Tuberculosis Associations of the United States

BUY CHRISTMAS SEALS



### THIS LABEL . . .

IS HELPING US TO BATTLE CANCER

WE are waging intensive war against cancer. To carry on this great fight we depend on contributions from the public.

YOU can help this worthy cause: (1) by buying the committee's labels—and (2) by using them—and so you not only contribute funds with which our work may be carried on, but you also make it known to others. Twenty labels to a package, price one dollar.

For free information about cancer write or telephone to . . .

NEW YORK CITY CANCER COMMITTEE

AMERICAN SOCIETY FOR THE CONTROL OF CANCER  
150 EAST 83rd STREET, NEW YORK

Telephone: RHinelander 4-0435

Residents outside New York, write to American Society for the Control of Cancer, New York, N. Y.



There seems to be a  
Special Magic in

# TUCSON's

WARM-DRY-SUNNY CLIME



It's magic that's indescribable  
—unique on this continent. It  
exhilarates!

It brings visitors back time and again  
or converts them at once into permanent  
citizens. In fact, about half of  
Tucson's residents came as visitors  
seeking rest but stayed to hike, swim,  
golf, ride, hunt and assume leading  
roles in the business, professional and  
social life of the community. They came  
to bask in sun-splashed patios—they  
remained to live full, rounded lives.



Send for information and booklets regarding  
air, rail and road data; hotel, sanatoria, and  
other accommodations. This non profit civic  
club renders interested personal service before  
and after you get here, without obligation.

**Sunshine-Climate Club**  
**TUCSON ARIZONA**

1402-A RIALTO BUILDING

Please send me your brand new booklet.

Name \_\_\_\_\_  
Address \_\_\_\_\_

**HITLER** Whence and Whither?  
by Wickham Steed  
**\$1.50**  
REVIEW OF REVIEWS, 233 Fourth Ave., N. Y. C.

Join the BIG PARADE **MEXICO**

No summer or winter in MEXICO CITY.  
See giant pyramids... Join the gay  
festas... Relax in tranquil tenth century  
villages. Fares lowest in history.

See your nearest TRAVEL AGENT for  
reservations and new low all-inclusive costs.  
Or write for illustrated brochure.

NATIONAL RAILWAYS of MEXICO  
1515 Pennsylvania Bldg., New York

Rests. Waste areas between old and new roadbeds, perhaps where a curve has been eliminated, are landscaped and made into Highway Gardens. At the outset, when roadside landscaping was still experimental, these waste areas were treated rather too formally. Too often exotics were used and ugly "concrete teeth" stood about the garden border to keep off the cars. But today, while the treatment must still remain more or less formal (since they are hemmed in on all sides by the formal roadbed), they are planted with native material rather than exotics; and the general effect is in pleasing contrast to the rough treatment or neglect of similar areas elsewhere.

### How Billboards Are Limited

THE TRUE parkway, with limited abutters' right and with sufficient right-of-way to prevent unsightly or inappropriate roadside development, is the ideal solution of all our roadside problems. Unfortunately, only a small percentage of highways can be parkways. For our average highways we must still find roadside control through zoning, easement, or state law. We may plan a wonderful boulevard, following natural contours, with traffic divided, but unless roadside control is secured, time and traffic will soon develop another Post Road. The costly boulevard from Worcester to Boston is an illustration. The only roadside control provided is a short set-back for roadside enterprises, and such protection from billboards as Massachusetts regulations provide.

Already in New England and on Long Island you find examples of town zoning which restricts business to certain districts and allows billboards only in limited zones. Bristol, Rhode Island, allows billboards only in the second commercial district, and permits any place of business to have only 40 square feet of signs on the premises. County zoning in Prince Georges and Montgomery counties, Maryland, allows billboards only in the industrial zones and restricts the signs on the place of business. Monterey County in California permits billboards only in the third commercial district. Montecito County in California, like the Town of Oyster Bay on Long Island, is zoned as residential, and no billboards are permitted.

Kern County, California, desiring to protect a new highway leading to the county seat, Bakersfield, passed an "interim ordinance" to hold until the entire county should be zoned. This interim ordinance controls the roadsides for 200 feet back from the right-of-way. For 30 feet back no buildings except fences may be erected. Back of the 30-foot line architectural supervision is exercised over any buildings not used strictly for agricultural purposes. No signs can be erected except in business districts as defined by the California motor vehicle law. On any place of business no sign may exceed 24 square feet, and the total area of signs is limited to one square foot for each linear foot of frontage.

County zoning is developing also in Wisconsin. State zoning of the state highway system as an entity is now suggested, and the idea is winning favor.

## WHERE-TO-GO

Hotel, Resort, and Travel Department  
1906 - Every Month in 7 Magazines - 1934

### TRAVEL

### SEE THE WORLD



• Plan your own route...no set schedule. Go eastward or westward. Tickets good for two years...stop-overs where and when you wish them.

• Special round-the-world service. Canadian Pacific in combination with Peninsular & Oriental and British India Steam Navigation Companies.

• 179 Canadian Pacific agencies to help you. Complete information from your travel agent or any Canadian Pacific office.

**Canadian Pacific**

Consult your phonebook for  
offices in principal cities.

The seven magazines The Where-to-go Bureau uses regularly are all quality publications, are welcome visitors monthly in our best homes and influence quality people everywhere.

### Going to California?

Send for Book with complete descriptions on Where-to-go and What-to-see. No obligation.

P. G. MORRIS  
CLARK TRAVEL SERVICE  
HOTEL CLARK, Los Angeles, Calif. **FREE**

ST. PETERSBURG FLA.

**St Petersburg**  
FLORIDA  
The Sunshine City

**PLAN EARLY  
TO COME EARLY  
AND STAY LATE**

Come South!

Come to Florida!

Come to Sunny St. Petersburg!

You will love this beautiful and friendly community on Florida's Gulf Coast. A popular resort center, entertaining more than 150,000 visitors annually.

All kinds of summer sports all winter. Warm healthful climate. Moderate living costs. Plan to come early and stay late.

For booklet write A. H. Deaderick,  
Secretary, Chamber of Commerce,  
St. Petersburg, Florida.

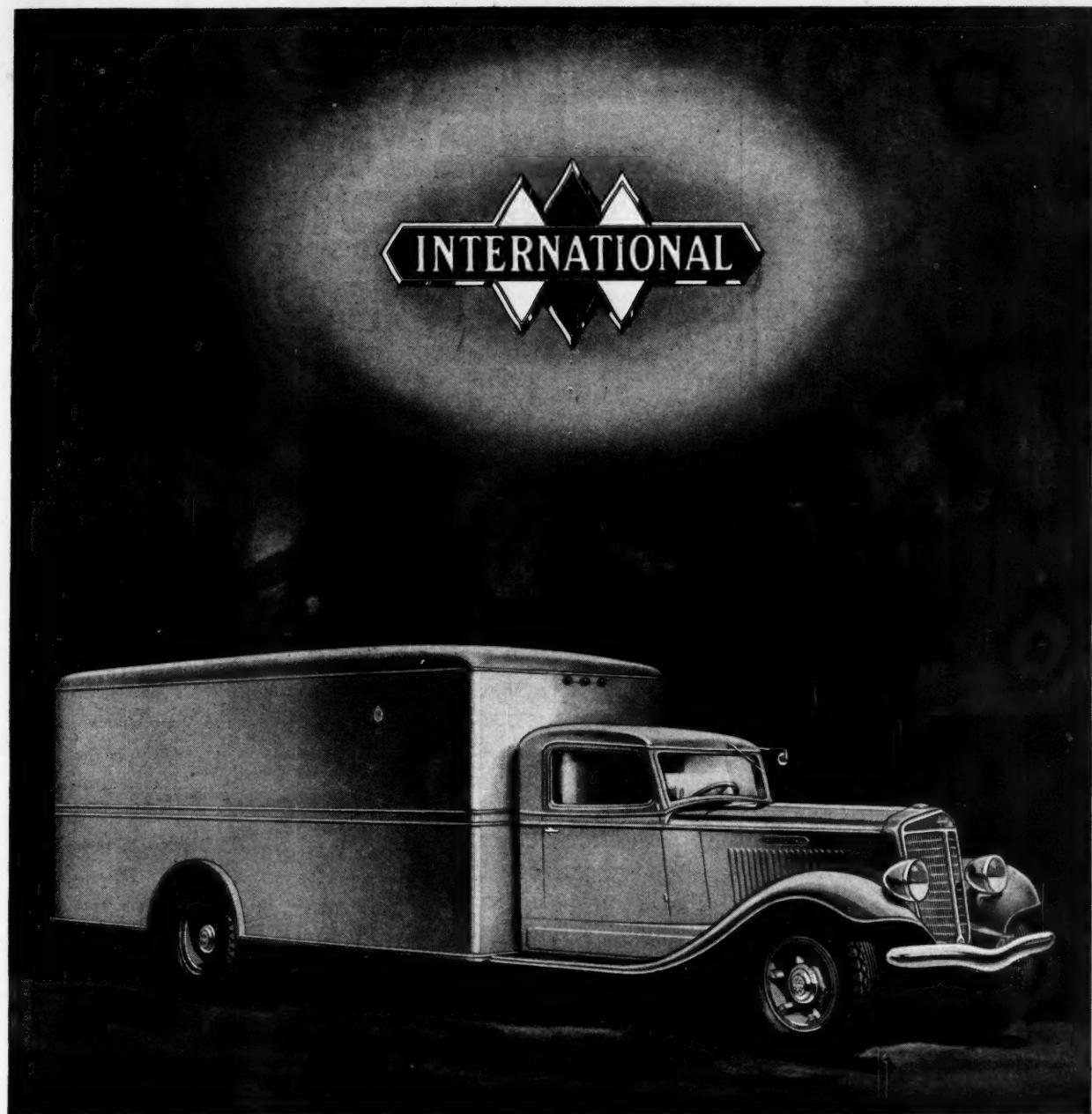


When writing to these advertisers will you  
please mention The Where-to-go Bureau?

**WASHINGTON D. C.**

MODERN PERFECTION IN HOTEL LIFE  
The **WILLARD HOTEL**  
Washington, D. C.

Where-To-Go for Nov. closes Sept. 25



## BEAUTY THAT IS MORE THAN PAINT DEEP

**O**F course you will insist on good looks when you buy a truck, because looks are important these days in building commercial prestige. But beauty without backbone is a bad bargain. So, before you buy a truck make a thorough check to be certain that the beauty is more than paint deep. International invites you to subject any truck in its line to the most rigid examination, both inside and out. Let your own eyes furnish the testimony. See for yourself the clearly visible evidence of rugged strength and

engineering skill. Learn *why* an International can give such dependable truck performance, and such economical truck operation. Finally, to make your examination complete . . . pick out the truck that meets your needs, and give it a try-out on your own job. International sizes from  $\frac{1}{2}$ -ton up; bodies for all loads. Chassis prices, f. o. b. factory, from \$390 up. At all International branches and dealers.

INTERNATIONAL HARVESTER COMPANY OF AMERICA, INC.  
606 South Michigan Avenue, Chicago, Illinois

# INTERNATIONAL TRUCKS